



Abattis and Management Overcome Legal and Regulatory Allegations

After Over Two Years of Legal and Regulatory Battles, Abattis & its Management Receive Vindication

Vancouver, British Columbia / March 19, 2021 / Abattis Bioceuticals Corp. (“Abattis” or the “Company”) (OTC:ATTBF) is pleased to announce significant progress regarding its dealings with the British Columbia Securities Commission, the Class Action Lawsuit and its Operations.

The Securities Commission

On November 26, 2018, the British Columbia Securities Commission (the “BCSC”), issued a temporary order (the “Order”) and Notice of Hearing (the “Notice of Hearing”) which made allegations against 11 issuers and 51 other individuals and companies for events that transpired between the months of February 2018, and August 2018. Abattis was named in Order and the Notice of Hearing, but the Company’s officers and directors were not. On January 16, 2019, the BCSC Panel revised the Order and Abattis was removed from it.

After the announcement of the Order and the Notice of Hearing, further investigations were launched related to their respective allegations. The Company, its Board of Directors (“Board”) and Management fully cooperated with the BCSC staff and provided comprehensive responses to each inquiry. The Company also formed a special committee which was made up of a majority of independent directors to investigate the allegations made in the Notice of Hearing. The Company engaged additional legal counsel, separate from its corporate counsel, to directly address the allegations made by the BCSC. There have been no further actions taken by the BCSC of which the Company is aware with respect to the allegations in the Notice of Hearing since late April of 2019.

The Cease Trade Order

As a result of the increased scrutiny on the Company from the Order and the Notice of Hearing, its auditor refused to sign off on the Company’s financial statements. This led to the Company being subjected to a cease trade order (the “CTO”) on February 4, 2019 by the BCSC due to the Company’s inability to file its year-end financial statements within the 120-day deadline required under NI 51-102.

Proposed Class Action Lawsuit

On July 11, 2019, two investors (Michael Tietz and Duane Loewen, together the “Plaintiffs”) launched a proposed Class Action Lawsuit (the “Class Action Lawsuit”) which named the Company, its CEO and former CFO. The Plaintiff’s lawyers filed a Notice of Civil Claim against all of the issuers, some of their management and the individuals and other entities named in the November 26, 2018 Order and Notice of Hearing.

The claim in the Class Action Lawsuit relates to the allegations made in the Order and the Notice of Hearing. As previously stated, the Company was removed from the Order on January 16, 2019. Some of the claims made in the Class Action Lawsuit are based on the secondary market liability provisions of the *Securities Act*. However, the Plaintiffs did not apply for leave to commence an action based on those portions of the Securities Act, as is specifically required. To date, leave of the Court has not been granted and there has been no application for certification of the lawsuit as a class action. However, the Company, its CEO and former CFO, have responded to all claims made by the Plaintiffs.

Major Changes to get Back on Track

The series of events resulting from the Order, the Notice of Hearing, the CTO, and the Class Action Lawsuit put the Company in a difficult position. Because the Company was not able to file its financial statements, the subsequent CTO made it impossible for the Company to raise capital to maintain its operations. In the months that followed the CTO, the Company hired a new CFO and made changes to most of its Board in an effort to resolve the problems and put the Company back on track.

In addition to the Board and Management changes, the Company imposed several measures aimed at overcoming the allegations and getting the Company's shares trading again on the Canadian Stock Exchange (the "CSE"). One of these measures included the request for the resignation of its previous auditor, Dale Matheson Carr-Hilton Labonte LLP ("DMCL"). After evaluating several new auditors, the Company engaged the services of NVS Professional Corporation ("NVS") in June of 2019. The Company then underwent a second very comprehensive audit that included re-valuations of all its material acquisitions. The valuations were not only required for the acquisitions that transpired during the fiscal year being audited, but also for all the transactions that took place subsequent to year end.

Through tireless commitment from the Company's CEO, new CFO, directors, consultants, lawyers and accountants, and of course, the exhaustive work performed by its new auditor NVS, on August 8, 2019, the Company filed its annual financial statements ("FS") and related management discussion and analysis ("MD&A") for year ended September 30, 2018.

Application to Revoke the CTO to Resume Trading on the CSE

By August of 2019, the Company had paid all of its regulatory fees (including penalties for late filing) and was completely up to date with respect to its required regulatory filings. On August 26, 2019, the Company filed an application for the revocation of the CTO with the BCSC to have its shares resume trading on the CSE. The Company was hopeful its shares would resume trading by Q4 of 2019.

However, as part of the revocation process, the BCSC opted to perform its own comprehensive review of not only the Company's 2018 FS and MD&A, but also the 2019 FS and MD&A, which eliminated any possibility for the shares to resume trading in 2019.

This review went on for over a year and exhausted all the remaining resources of the Company. Despite not having the resources, the Company's Board and Management remained committed to this process until it was resolved.

Over two years later and finally some Vindication

From the Securities Commission

After an extremely long and exhaustive examination process, Abattis is pleased to announce that on February 3, 2021, the BCSC finally completed its review of the Company's FY2018 FS and MD&A, and its FY2019 FS and MD&A. The Company can now proceed with filing the rest of its FS and continue with the process of applying to have the CTO revoked so that its shares can trade again.

From the Class Action Lawsuit

The Company and Robert Abenante delivered responsive materials to the Plaintiffs' application for leave on August 31, 2020. As a result of those materials, the Company is pleased to report that the Plaintiffs have signed a discontinuance agreement to discontinue the Class Action Lawsuit against the Company and Mr. Abenante, removing them from the Class Action Lawsuit proceedings, without any payment by the Company or Mr. Abenante.

The discontinuance agreement with the Plaintiffs of the Class Action Lawsuit includes a covenant that the Plaintiffs cannot sue Abattis or Mr. Abenante for some of the claims raised in the Class Action lawsuit. That covenant applies to Abattis, Mr. Abenante, and their related corporations and entities, and their officers, directors, employees, insurers, and agents, and their respective heirs, executors, administrators, successors, and assigns in the future.

The discontinuance agreement does not apply to any other defendants in the Class Action Lawsuit. The Company understands that the Class Action Lawsuit has also been discontinued against its former CFO and several other defendants.

Message from the CEO

"This has certainly been a challenging couple of years for our Company, its Directors and Officers, its shareholders and all of its stakeholders. The pressure from the regulatory inquiries was compounded by the subsequent CTO and Class Action Lawsuit. The time and resources required to defend these allegations and respond to the ongoing inquiries almost put an end to this Company. Throughout these difficulties, the Board and Management stayed resilient and dedicated to proving that the allegations were unfounded. The progress with the BCSC, the discontinuance of the Class Action Lawsuit, the clean audits of our financial statements and the third party-valuations of our acquisitions are all proof of that.

I am eternally grateful to our Board of Directors, all the members of the Abattis team and all the service providers who worked tirelessly towards overcoming these major regulatory and legal hurdles. I would also like to personally thank our many shareholders who have stood by me and our Company during this very difficult time and expressed their support towards the turn around of this Company. We could not have achieved these milestones without the overwhelming support of our major shareholders.

I made a promise to the Company, its shareholders and its stakeholders that I would not leave this Company until I had completed the BCSC review, received a clean bill of health of the financial statements and proven that the Company and I should not have been named in the Class Action Lawsuit. Now that these significant milestones have been achieved, I can turn over the reins to a new leader that can take this Company back to the heights it once enjoyed. Therefore, I am tendering my resignation as President, CEO and Director of Abattis, effective immediately. A very strong foundation has been built in this Company and there are many very patient

and supportive shareholders who are anxious to see this Company succeed once again. Our very capable CFO, who was instrumental in all financial matters during these past two years, will be the acting CEO until a permanent replacement is found.”

Message from the Board of Directors

“We would like to thank Rob Abenante for his dedication, leadership and resolve throughout his tenure as CEO of this Company. It has been a great pleasure working with such a resilient and dedicated individual who refused to give up under the immense pressure. While these past few years have taken a toll on Mr. Abenante, his relentless determination and credibility remains intact. We hope that the vindication to date serves to further confirm the credibility that he has worked very hard to earn over his accomplished career. We wish him the very best of luck in all of his future endeavors and are appreciative of all his contributions to Abattis.”

ON BEHALF OF THE COMPANY,

ABATTIS BIOCEUTICALS CORP.

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FORWARD LOOKING INFORMATION

This press release contains forward-looking statements. The use of any of the words including but not exclusive to “anticipate”, “continue”, “estimate”, “expect”, “may”, “will”, “project”, “intends”, “should”, “believe” and similar expressions are intended to identify forward-looking statements. Forward-looking statements in this press release include, but are not limited to, statements regarding: (i) the FS Filings and the expected timing thereof; (ii) the application for revocation of the CTO and the timing thereof; and (iii) the resumption of trading of the Company’s common shares (iv) bringing the Company back the heights it once enjoyed. Although the Company believes that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because the Company can give no assurance that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Additional risk factors are included in the Company’s Management’s Discussion and Analysis, available under the Company’s profile on www.sedar.com. The forward-looking statements are made as at the date hereof and the Company disclaims any intent or obligation to publicly update any forward-looking statements, where because of new information, future events or results, or otherwise, except as required by applicable securities laws.