
NEWS RELEASE

Standard Signs LOI to Acquire Late-Stage Cannabis LP Applicant Marapharm and Undertakes Private Placement

Vancouver, BC –June 1, 2017 -- Standard Graphite Corp. (TSXV: SGH) Standard Graphite Corporation (the “**Company**” or “**Standard**”) is pleased to announce that it has entered into a letter of intent (the “**LOI**”) to acquire Marapharm Inc. (“**Marapharm**”), a licensed producer (LP) applicant under Health Canada’s “Access to Cannabis for Medical Purposes Regulations” (ACMPR).

Private Placement

The Company also announces that it is undertaking a non-broking private placement to raise \$1,000,000 of units at price of \$0.15 per unit. Each unit will consist of one common share of the Company and one-half of one common share purchase warrant. Each full warrant will be exercisable into one common share of the Company at \$0.25 per share for 18 months. Proceeds are to be used for general corporate purposes and the evaluation of opportunities in the cannabis market, including the proposed acquisition of Marapharm. All securities issued in connection with the private placement will be subject to a 4 month hold period. Closing of the placement is subject to TSX Venture Exchange acceptance.

About Marapharm

Marapharm, which is an advanced stage LP applicant under the ACMPR, began assembling people and the proposed build out and property, located in Kelowna, British Columbia, for its LP application in 2014. The proposed 11 acre parcel in Kelowna, British Columbia was confirmed by the Provincial government to be legally zoned as proper use for medical marijuana production. The property can accommodate a two story, 40,000-square-foot facility, with the requisite parking area and green space. The construction contract is currently being prepared to build a Phase I, 20,000-square-foot production facility with an additional 20,000 square feet of additional space planned for year two. It is anticipated that the production facility will be operational six months following receipt of the building permits. Subject to completion of the acquisition and requisite financing, the Company will cause Marapharm to submit such permit applications after closing of the acquisition.

Acquisition Terms

Pursuant to the terms of the LOI and as consideration for the acquisition of Marapharm, Standard will issue to the sole shareholder of Marapharm, namely Marapharm Ventures Inc., the following:

- 35,100,000 common shares of Standard (the “**Standard Shares**”) in escrow, subject to release therefrom as follows: 10% on closing and thereafter the balance over 36 months; and
- a \$2,500,000 convertible note of Standard, such note to be, at Standard’s option, either: (i) paid in cash on the twentieth trading day (“**Trigger Date**”) after the public dissemination of a news release announcing the receipt of a cannabis LP under the ACMPR; or (ii) converted into common shares of Standard valued using the 20 day volume-weighted average trading price of Standard shares on the Trigger Date.

The proposed acquisition is subject to customary conditions, including satisfaction with diligence investigations, entering into a definitive agreement, necessary corporate approvals and applicable exchange acceptance. A portion of the proceeds of the private placement is intended to be used in furtherance of the Company's diligence investigations and negotiation of a definitive agreement.

The Cannabis Market

According to a recent report from the consulting firm Deloitte, the Canadian retail cannabis market is projected to be between \$4.9 billion and \$8.7 billion annually. Deloitte estimates that satisfying the recreational cannabis market will mean producing 600,000 kilograms of marijuana annually - far more than the existing licensed producers under the ACMPR grow for medicinal purposes.

"Chris Bogart"
President & CEO

For further information, contact:

Corporate Information Standard Graphite Corp.

Chris Bogart
President & CEO
Tel: (604) 683-2509
chris@standardgraphite.com
www.standardgraphite.com

The TSX Venture Exchange has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this press release.

Forward-looking information

This news release contains forward-looking information relating to the Company's proposed acquisition, private placement and other statements that are not historical facts. Forward-looking information relates to management's future outlook and anticipated events or results, and include statements or information regarding the future plans or prospects of the Company. Although management of the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward looking information, there may be other factors that cause results not to be as anticipated, estimated or intended.

Forward looking-information is subject to certain factors, including risks and uncertainties that could cause actual results to differ materially from what is currently expected. These factors include risks and uncertainties associated with the results of diligence investigations, developments in the cannabis sector and the mining sector, exploration results, delays resulting from or inability to obtain required regulatory approvals and ability to access sufficient capital from internal and external sources, reliance on key personnel, regulatory risks and delays and other risks and uncertainties discussed in the management discussion and analysis section of the Company's interim and most recent annual financial statement or other reports and filings made with the applicable Canadian securities regulators. 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. Accordingly, readers should not place undue reliance on forward looking information.

The forward-looking statements contained in this news release are made as of the date of this news release. Except as required by law, the Company disclaims any intention and assumes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Additionally, the Company undertakes no obligation to comment on the expectations of, or statements made by, third parties in respect of the matters discussed above. There can be no assurance that the proposed acquisition will be completed as proposed or at all.