

PharmaCielo Receives Approval for Cultivar Registration of 10 Proprietary Cannabis Strains

- Colombia's only CBD-dominant strain meeting WHO purity standards among strains approved
- Establishes unique competitive advantage as sole licensed producer in Colombia of non-psychoactive strain
- WHO clarification regarding CBD expected to increase global medicinal demand
- PharmaCielo has additional 20 strain applications in process awaiting approval

TORONTO and RONEGRO, Colombia, Feb. 6, 2019 /CNW/ - **PharmaCielo Ltd.** ("**PharmaCielo**" or the "**Company**") (**TSXV:PCLO**), the Canadian parent of Colombia's premier cultivator and producer of medicinal-grade cannabis oil, PharmaCielo Colombia Holdings S.A.S., announced today that its Colombian subsidiary has received approval for the listing of 10 proprietary and unique tetrahydrocannabinol (THC) and cannabidiol (CBD) strains with the national cultivar registry. The Company can now proceed to commercial registration, production and sale of these strains within Colombia as well as for export to global markets.

"Approval of these strains strengthens and confirms PharmaCielo's position as the leading producer in Colombia," said Federico Cock-Correa, President and CEO of PharmaCielo Colombia Holdings S.A.S. "Among those approved is an historic and unique CBD-dominant strain approved for commercial registration and sourced from the Colombian landrace strains held within our *fuelle semillera*,¹ the first and only one of its kind registered in Colombia."

Dr. Delon Human, Global Head, Health and Innovation, added that "the commercial value of this 20:1 CBD primary strain is of particular significance with the recent clarification by the World Health Organization (WHO) that medicinal CBD is not regulated under international convention.² The intensity of the CBD strain profile allows us to efficiently fulfill strong global demand for pure CBD medicinal cannabis oil extracts, which we expect to dramatically increase over the next several years for this strain, as it meets both market and import requirements."

The process of registering strains in Colombia is lengthy and extensive. Up to five months of regulated field trials are required, including rigorous data collection and analysis, prior to approval for registration for commercial cultivation. The process from beginning to completion can last several years. PharmaCielo has completed the regulatory process and received strain approval from the technical directorate of the ICA (Colombian Institute of Agriculture), representing a diverse range of chemotypes, with various ratios of CBD to THC. Upon approval, strains may be registered for commercial production and quota issuance based on demonstrated market demand.

"The registration of these ten strains of varying THC to CBD ratios, including the CBD-dominant strain, is a singular moment, as it is the first and only strain registered by the Colombian government for the legal production of CBD oils under a non-psychoactive licence," Mr. Cock-Correa added. "As the owner of the leading seed bank held by any LP in Colombia, with an additional 20 commercial strains in the final stages of the registration process, these approvals evidence the value of our bank and the ability to meet current and future domestic and international market needs without challenge."

About PharmaCielo

PharmaCielo Ltd. (TSXV:PCLO) is a global company, headquartered in Canada, with a focus on ethical and sustainable processing and supplying of all natural, medicinal-grade cannabis oil extracts and related products to large channel distributors. PharmaCielo's principal (and wholly owned)

subsidiary is PharmaCielo Colombia Holdings S.A.S., headquartered at its nursery and propagation centre located in Rionegro, Colombia.

The boards of directors and executive teams of both PharmaCielo and PharmaCielo Colombia Holdings are comprised of a diversely talented group of international business executives and specialists with relevant and varied expertise. PharmaCielo recognized the significant role that Colombia's ideal location will play in building a sustainable business in the medical cannabis industry, and the Company, together with its directors and executives, is executing on a business plan focused on supplying the international marketplace.

Neither the TSXV nor its Regulation Services Provider (as that term is defined in the policies of the TSXV) accepts responsibility for the adequacy or accuracy of this press release.

Forward-Looking Statements

This press release contains forward-looking statements. Forward-looking statements can be identified by the use of words such as, "expects", "is expected", "intends", "believes", or variations of such words and phrases or state that certain actions, events or results "may" or "will" be taken, occur or be achieved. Forward-looking statements include statements with respect to an increase in the global medicinal demand for CBD cannabis, the timing of approval or the receipt at all of approval of the additional 20 strain applications awaiting approval, the ability of PharmaCielo to fulfill global demand for pure CBD medicinal cannabis oil extracts, and the timing of the registration of the 10 strains with the national cultivar registry. Forward-looking statements are based on assumptions, including with respect to PharmaCielo's planned products, and the ability to execute its business plan that management believes are reasonable in the circumstances, but the actual results, performance or achievements of PharmaCielo's business may be materially different from any future results, performance or achievements expressed or implied by any forward-looking statements. Forward-looking statements can be affected by known and unknown risks, uncertainties and other factors, including, but not limited to, the equity markets generally, risks associated with early stage companies, risks associated with the regulation of cannabis and cannabinoid derivatives, failure to obtain necessary TSXV approval, competition for PharmaCielo's planned products, risks associated with operating in Colombia, and currency exchange risk. Accordingly, readers should not place undue reliance on forward-looking statements.

Except as required by law, PharmaCielo undertakes no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

¹ PharmaCielo's *fuente semillera* is a licensed seed or germplasm bank authorized by the Colombian Government. The ability to establish a bank closed on December 31, 2018. Licensed Producers (LPs) without a registered bank are required to buy commercially registered varieties from licensed breeders or from other LPs and thus are at significant competitive disadvantage. PharmaCielo has 186 Colombian landrace strains registered in its bank, from which all future commercial cultivation strains will be sourced.

² https://www.who.int/medicines/access/controlled-substances/UNSG_letter_ECDD41_recommendations_cannabis_24Jan19.pdf

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For further information: www.PharmaCielo.com; Media Relations: International: Gal Wilder, Cohn & Wolfe, +1.647.259.3261, gal.wilder@cohnwolfe.ca; Colombia: María Paula Peña Fdz., SPR GROUP S.A., PBX: 57-1 2877234, mariapaula.pena@sprgroup.biz; Investor Inquiries: investors@pharmacielo.com

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