



Emblem Announces Exclusive Agreement with Canntab Therapeutics for Cannabinoid Based Oral Sustained Release Formulation

PARIS, ONTARIO—(October 3, 2017) - Emblem Corp. (TSXV:EMC) (EMC.WT) (“Emblem” or the “Company”) announced today that it has entered into a Collaboration and Licensing Agreement (the “Agreement”) with Canntab Therapeutics Limited (“Canntab”) of Toronto. Canntab has developed a patent-pending oral sustained release formulation for cannabinoids (the “Sustained Release Product” or the “Product”). Under the Agreement, Emblem and Canntab will collaborate on the preclinical formulation, clinical development, regulatory approval, manufacturing and commercialization of the Sustained Release Product.

The Agreement grants to Emblem the exclusive right in Canada to Canntab’s patents and know-how for the purpose of developing, commercializing, using, selling, and offering the Sustained Release Product for sale under the Emblem brand. The License does not include the right to import or export the Product.

The Sustained Release Product will be manufactured by Emblem or by Canntab, after Canntab receives appropriate licensing allowing such manufacture.

The Agreement calls for Emblem to make payments to Canntab upon achievement of certain milestones involving stability studies, bio-availability studies and regulatory approval of the Sustained Release Product. The Agreement also calls for Emblem to make royalty payments to Canntab based upon Gross Sales of the Product.

Emblem and Canntab also intend to collaborate on the preclinical formulation, clinical development, regulatory approval and commercialization of a range of additional cannabinoid containing pharmaceutical formulations.

Background

There is substantial evidence that cannabinoids are effective for the treatment of a number of conditions including (i) chronic pain (ii) nausea, (iii) anxiety and sleep disorders, and (iv) spasticity in patients with Multiple Sclerosis.

Most conventional (immediate release) dosage forms, such as tablets and capsules, release the active drug component immediately after oral administration. In the formulation of conventional drug

products, no deliberate effort is made to modify the drug release rate. Sustained release dosage forms are designed to release the active pharmaceutical ingredient at a predetermined rate in order to maintain a constant drug concentration over a specific period of time – resulting in a longer duration of action from a single dose and often with reduced side effects. Generally this is done to achieve an improved therapeutic outcome and/or to enhance patient compliance. Immediate release dosage forms of cannabinoids tend to lose therapeutic effects in 4 to 6 hours requiring subsequent re-administration and the risk of reduced patient compliance.

The Sustained Release Product is designed to release the cannabinoid content over a period of at least 12 hours. Sustained release formulations of pharmaceutical products are particularly valuable in the treatment of chronic conditions, such as chronic pain, where patients tend to need “around the clock” relief. There is substantial evidence that cannabis is effective for the treatment of numerous conditions including neuropathic pain. Neuropathic pain is estimated to affect over two million Canadians and the pharmaceutical market addressing the needs of those patients was about \$500 million in 2016.

John H Stewart – Head of Emblem’s Pharmaceutical Division said: “There are numerous examples of drug products where the utilization of advanced dosage forms such as sustained and/or modified release dosage forms significantly improved the efficacy and clinical utility of the active drug substance. We believe that cannabinoid therapy will be advanced via the development of such dosage forms and the associated pharmacokinetic and clinical research. Sustained release formulations of pharmaceutical ingredients that are otherwise short-acting (such as cannabinoids) have more convenient dosage schedules, a longer duration of action and tend to be much more accepted by patients and healthcare professionals. Emblem expects that the introduction of easily titratable, sustained release formulations of cannabinoids will materially increase the market for cannabinoid-based medications, particularly for treatment of conditions such as chronic neuropathic pain.”

Jeff Renwick, Canntab CEO said: “We’re excited about the collaboration between us and Emblem. It is a testament to the medicinal delivery technology developed by our team at Canntab. It also allows us to bring to the Canadian market a significant advancement in Cannabis based medicine. Canntab’s patent-pending extended release formulation for the first time lets doctors establish the appropriate dosage for their patients and will make taking medicinal cannabis easier for patients, which should translate into higher patient compliance, making for more effective treatment. The ongoing relationship with Emblem allows for further development of our unique platforms, advancing our mission to put the “medical” into medicinal cannabis.”

Gordon Fox, CEO of Emblem said: “We are very excited about our relationship with Canntab. We expect the Sustained Release Product to have a major impact on the Canadian medical cannabis market. We are also looking forward to further collaborations with Canntab to bring other ground-breaking cannabis based advanced dosage forms to the market.”

About Emblem

Emblem is licensed under the Access to Cannabis for Medical Purposes Regulations (the “ACMPR”) to cultivate and sell medical marijuana. Emblem carries out its principal activities producing marijuana from its facilities in Paris, Ontario pursuant to the provisions of the ACMPR and the *Controlled Drugs and Substances Act* (Canada) and its regulations.

About Canntab

Canntab Therapeutics Limited is a Canadian cannabis oral dosage formulation company based in Markham Ontario, engaged in the research and development of advanced pharmaceutical grade formulations of cannabinoids. Canntab has developed in-house technology to deliver standardized medical cannabis extract from selective strains in a variety of extended/sustained release pharmaceutical dosages for therapeutic use. Simply put, Canntab's mission is to put the "Medical" into medicinal cannabis!

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This news release contains certain forward-looking statements and forward-looking information (collectively referred to herein as "forward-looking statements") within the meaning of applicable Canadian securities laws. All statements other than statements of present or historical fact are forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "anticipate", "achieve", "could", "believe", "plan", "intend", "objective", "continuous", "ongoing", "estimate", "outlook", "expect", "may", "will", "project", "should" or similar words, including negatives thereof, suggesting future outcomes.

In particular, this news release contains forward-looking statements relating to, among other things: (i) the arrangement and Agreement with Canntab; (ii) the benefits of the relationship with Canntab; (iii) potential sales of oil and the value thereof; (v) the ability of the Company to produce high quality dried flower; (vi) the intention to grow the business, operations and potential activities of the Company; (vii) the benefits associated with cannabinoids for the treatment of illness and disease; and (viii) receipt of approval from Health Canada to complete such activities.

Management of the Company believes the expectations reflected in such forward-looking statements are reasonable as of the date hereof but no assurance can be given that these expectations will prove to be correct and such forward-looking statements should not be unduly relied upon. Various material factors and assumptions are typically applied in drawing conclusions or making the forecasts or projections set out in forward-looking statements. Those material factors and assumptions are based on information currently available to the Company, including data from publicly available governmental sources as well

as from market research and industry analysis and on assumptions based on data and knowledge of this industry which Emblem believes to be reasonable. However, although generally indicative of relative market positions, market shares and performance characteristics, such data is inherently imprecise. While Emblem is not aware of any misstatement regarding any industry or government data presented herein, the medical marijuana industry involves risks and uncertainties and is subject to change based on various factors.

Forward-looking statements are not a guarantee of future performance and are subject to and involve a number of known and unknown risks and uncertainties, many of which are beyond the control of the Company, which may cause the Company's actual performance and results to differ materially from any projections of future performance or results expressed or implied by such forward-looking statements. These risks and uncertainties include, but are not limited to, the risks identified in the Company's filing statement dated November 30, 2016 and in the Company's short form prospectus dated March 16, 2017 both of which have been filed with the Canadian Securities Administrators and available on www.sedar.com. Any forward-looking statements are made as of the date hereof and, except as required by law, the Company assumes no obligation to publicly update or revise such statements to reflect new information, subsequent or otherwise.

This news release contains future-oriented financial information and financial outlook information (collectively, "FOFI") about Emblem's prospective results of operations, sales, revenues, funds flow, and components thereof, all of which are subject to the same assumptions, risk factors, limitations, and qualifications as set forth in the above paragraphs. FOFI contained in this news release was made as of the date of this document and was provided for the purpose of providing further information about the Company's future business operations. The Company disclaims any intention or obligation to update or revise any FOFI contained in this news release, whether as a result of new information, future events or otherwise, unless required pursuant to applicable law. Readers are cautioned that the FOFI contained in this news release should not be used for purposes other than for which it is disclosed herein.