For Immediate Release

CanniMed Therapeutics Inc. Reports Financial Results for Q1 2017

SASKATOON, SK March 16, 2017: **CanniMed Therapeutics Inc. ("CanniMed" or the "Company")** (TSX: CMED) today released its financial results for its first quarter ended January 31, 2017.

"Our medical cannabis sales increased dramatically during the quarter, with increasing contribution from oils," said Brent Zettl, President and CEO of the Company. "We are pleased that our GMP manufacturing process, which includes extensive quality controls, as well as the fact that our process does not involve pesticides, is increasingly being recognized by patients and healthcare professionals. We continue to pursue new market channels, including distribution domestically through pharmacies and internationally through collaborations with foreign healthcare companies."

First Quarter 2017 Highlights

- Sales of $3.4 million were 93% higher than in the same period of the prior year.
- Production and sale of concentrated cannabis oils continued to improve Company sales.
- Sold 341 kg of medical marijuana dried equivalent at an average selling price of $10.81 per gram.
- Adjusted EBITDA from continuing operations[1] improved $0.7 million to $0.5 million for the quarter.
- Loss of $3.3 million for the period included a loss of $2.4 million on derivative instruments, resulting primarily from increases in the value of the conversion right to acquire the Company's shares associated with the convertible debentures.
- Completed an initial public offering of shares which was increased from $50 million to $60 million due to investor demand. In addition the underwriters' overallotment option was exercised, bringing total gross proceeds to $69 million.
- $11.3 million of convertible debentures were converted into 2,057,060 common shares of the Company.

[1] Adjusted EBITDA is a non-IFRS measure with no standard definition under IFRS. See the "Non-IFRS financial performance measures and reconciliations" section of this news release and in the Company's MD&A.

Revenue

Revenue for the three months ended January 31, 2017 increased 93% to $3.4 million from $1.8 million for the same period in the previous year. This increase was attributable to a 60 kg increase in herbal sales volume to 237 kg and to a 95 kg increase in oils sales volume to 104 kg of dried marijuana equivalent.

Loss

For the three months ended January 31, 2017, the Company recorded a loss from continuing operations of $3.3 million, or $0.19 per share, net of tax. The major component of this loss was the derivative instrument expense of $2.4 million, discussed in more detail below. This compares to a loss from continuing operations of $1.0 million net of taxes, or $0.07 per share, for the three months ended January 31, 2016.

Operating Expense

For the three months ended January 31, 2017, general and administrative expense for continuing operations of $1.1 million was $0.4 million higher period over period. This increase is mainly attributable to higher salary costs, due to increased personnel period over period, and higher distribution costs, due to higher sales volumes.

For the three months ended January 31, 2017, sales and marketing expense of $0.8 million was relatively unchanged period over period.

Research and Development

Research and development costs for the three months ended January 31, 2017 were $0.3 million (Q1 2016 - $0.2 million). Research and development work is directed primarily towards plant-based materials for pharmaceutical, agricultural and environmental applications.

Loss on Derivative Instruments

For the three months ended January 31, 2017, loss on derivative instruments was $2.4 million (Q1 2016 - $nil). The increase is attributable to increased value attributed to the embedded derivative liability relating to a conversion to equity option contained within the convertible debentures. During the quarter, $11.3 million of convertible debentures (principal balance) were converted to equity. This option expired at the end of the first quarter of 2017.

Recent Developments

Agreement with CTT Pharmaceutical Holdings Inc. to License CTT's Orally Dissolvable Thin Film Wafer

On February 17, 2017, the Company signed a definitive agreement with CTT Pharmaceutical Holdings Inc. to license CTT's Orally Dissolvable Thin Film Wafer technology. This industry-first collaboration will enable CanniMed to exclusively develop and commercialize this novel, smoke-free, drug delivery system in Canada.

The agreement includes the licensing of six patents related to cannabinoid and opioid delivery for pain management. In addition to specified initial payments, the Company will pay a royalty of 5% of gross sales of products using the licensed delivery technology.

Independent Laboratory Analysis of CanniMed Products for Pesticides, Fungicides and Plant Growth Regulators

In response to the potential market concerns about the use of pesticides in medical cannabis products, the Company commissioned an independent laboratory analysis of the Company's herbal cannabis products. Four lots of CanniMed's proprietary strains (CanniMed® 22.1, CanniMed® 12.0, CanniMed® 9.9 and CanniMed® 1.13) were analyzed and, on February 22, 2017, the Company announced that the laboratory's testing of each analyzed lot for 56 known pesticides, fungicides and plant growth regulators ("PGRs") had returned a clean Certificate of Analysis with "not detected" levels for each of the 56 pesticides, fungicides and PGRs. The laboratory test results were consistent with the Company's production processes, which do not use pesticides, fungicides or PGRs.

Letter of Intent with PharmaChoice

On March 2, 2017, the Company signed a letter of intent with PharmaChoice, a member-owned cooperative that represents more than 700 independent pharmacy owners across Canada, to collaborate on pharmacist education and the distribution, sale and marketing of medical cannabis products. The parties intend that CanniMed will be responsible for producing and delivering accredited pharmacy education programs to PharmaChoice pharmacists and pharmacy technicians across Canada.

In addition, CanniMed and PharmaChoice intend to enter a definitive agreement for distribution of medical cannabis through PharmaChoice pharmacists in Canada upon completion of the first provincial legislation change that allows such distribution.

The Company is discussing similar agreements pertaining to both education and distribution with other pharmacy chains. The PharmaChoice model is a useful model for these ongoing discussions.

Corporate Financing Activities During the Quarter

Initial Public Offering

On December 29, 2016, CanniMed completed an initial public offering ("IPO") and on January 30, 2017 the underwriters' overallotment option ("OAO") was exercised, resulting in total gross proceeds of $69.0 million to the Company. A total of 5,750,000 common shares of CanniMed were issued at $12.00 per share, pursuant to the IPO and the exercise of the OAO. Common shares of CanniMed began trading on the Toronto Stock Exchange on December 29, 2016 under the ticker symbol CMED.

Conversion of Debentures

During December 2016 and January 2017, the holders of a total of $11.3 million of convertible debentures (principal balance) exercised their conversion rights, resulting in the issuance of 2,057,060 common shares of CanniMed. Due to non-conversion, $0.2 million of debentures remain with a term of five years and interest rate of 12 percent.

Credit Facility Agreement

Pursuant to the Company's facility agreement with its lender, renewal of the Company's Capital Loan, Property Loan and USD Loan was scheduled for November 2017. In January 2017, the Company's lender extended the scheduled renewal date of the facility agreement to November 2018.

Non-IFRS Financial Measures and Reconciliations

The Company utilizes non-IFRS financial measures as supplemental indicators of operating performance and financial position. These non-IFRS financial measures are used internally by the Company for comparing actual results from one period to another. The Company believes that, in addition to conventional measures prepared in accordance with IFRS, certain investors use this information to evaluate the Company's performance and ability to generate cash flow. Accordingly, such information is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

Earnings before Interest, Taxes, Depreciation and Amortization ("EBITDA") and Adjusted EBITDA

The Company uses EBITDA and Adjusted EBITDA as a supplemental financial measure of its operational performance. Management believes EBITDA to be an important measure of its capacity to generate cash flow from operations as it excludes the effects of items which primarily reflect the impact of long-term investment and decisions and finance strategies, rather than the performance of the Company's day-to-day operations. The Company measures EBITDA as net earnings (loss) from continuing operations plus income taxes expense (recovery), interest expense and depreciation and amortization. Adjusted EBITDA removes non-cash expenses such as loss on derivative instruments, share-based compensation and non-cash expenses within cost of sales.

The Company believes that these measurements are useful in measuring the Company's ability to service debt, meet other payment obligations and in comparing the Company's financial performance from period to period. Furthermore, Management believes that certain investors and other stakeholders use this information to evaluate the Company's performance. The following table provides a reconciliation of the Company's calculation of EBITDA and Adjusted EBITDA:

Calculation of EBITDA, and Adjusted EBITDA, from Continuing Operations				
Three months ended January 31		**2017**		2016
Loss from continuing operations	**$**	**(3,287)**	$	(957)
Deferred income tax expense (recovery)		**(143)**		(9)
Finance costs		**620**		296
Depreciation and amortization		**235**		280
EBITDA from continuing operations	**$**	**(2,575)**	$	(390)
Share-based compensation		**398**		86
Loss on derivative instruments		**2,444**		23
Unrealized gain from changes in fair value of biological assets		**(1,362)**		(1,071)
Non-cash amounts within cost of sales				
Realized gain from changes in fair value of biological assets		**1,174**		1,000
Depreciation		**414**		110
Adjusted EBITDA from continuing operations	**$**	**493**	$	(242)

About CanniMed Therapeutics Inc.

The Company is a Canadian-based, international plant biopharmaceutical company and a leader in the Canadian medical cannabis industry, with 15 years of pharmaceutical cannabis cultivation experience, state-of-the-art, GMP-compliant plant production processes and world class research and development platforms with a wide range of pharmaceutical-grade cannabis products. In addition, the Company has an active plant biotechnology research and product development program focused on the production of plant-based materials for pharmaceutical, agricultural and environmental applications.

CanniMed Ltd., through its subsidiaries, was the first producer to be licensed under the *Marihuana for Medical Purposes Regulations*, the predecessor to the current *Access to Cannabis for Medical Purposes Regulations*. It was the sole supplier to Health Canada under the former medical marijuana system for 13 years, and has been producing safe and consistent medical marijuana for thousands of Canadian patients, with no incident of product diversion or recalls.

For more information, please visit our websites: www.cannimed.ca (patients) and www.cannimedtherapeutics.com (investors).

Notice Regarding Forward Looking Statements

This news release contains forward-looking statements within the meaning of applicable securities laws. All statements that are not historical facts, including without limitation, statements regarding future estimates, plans, programs, forecasts, projections, objectives, assumptions, expectations or beliefs of future performance, are “forward-looking statements”. Forward-looking statements can be identified by the use of words such as “plans”, “expects” or “does not expect”, “is expected”, “estimates”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases or state that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved.

Forward-looking statements are based on assumptions and involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of CanniMed Therapeutics Inc. to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements, including the risks described in CanniMed Therapeutics Inc.’s documents filed with applicable Canadian securities regulatory authorities which may be viewed at www.sedar.com . The forward-looking statements included in this news release are made as of the date of this news release. CanniMed Therapeutics Inc. does not undertake to publicly update such forward-looking statements to reflect new information, subsequent events or otherwise, unless required by applicable securities legislation.

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