

PICKS, SHOVELS AND CANNABIS

Automated Extraction and Processing Solutions

Ancillary equipment, products and services for the Cannabis Industry

Fall 2017 · quadroncannatech.com · Green to Gold · CSE: QCC



QUADRON
Cannatech Corporation



FORWARD-LOOKING STATEMENTS

This investor presentation dated Fall 2017 (the “Presentation”) contains “forward-looking information” within the meaning of applicable Canadian securities laws and “forward looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995 (collectively, “Forward Looking Statements”) regarding Quadron Cannatech Corporation (“Quadron” or the “Company”) and its subsidiaries. Except for statements of historical fact, certain information contained herein constitutes forward-looking statements which include management’s assessment of future plans and operations and are based on current internal expectations, estimates, projections, assumptions and beliefs, which may prove to be incorrect. Often, but not always, forward-looking statements can be identified by the use of words and phrases such as “estimates”, “forecasts”, “projection” “anticipates”, “believes” “expects” or “is expected”, or “plans”, “intends”, “budgets”, “goals,” “objectives,” “targets,” or “scheduled” or variations (including negative variations) of such words and phrases, or statements that certain actions, events or results “may”, “could”, “should,” “would”, “might” or “will” be taken, occur or be achieved. Forward-looking statements are based on the opinions and estimates of management as of the date such statements are made and are based on various assumptions such as: (i) the Company’s ability to generate cash flow from operations and obtain necessary financing on acceptable terms; (ii) general economic, financial market, regulatory and political conditions in which the Company operates; (iii) consumer interest in Company products; (iv) anticipated and unanticipated costs; (v) government regulation of the Company’s activities and products; (vi) the timely receipt of any required regulatory approvals; (vii) the Company’s ability to obtain qualified staff, equipment and services in a timely and cost efficient manner; the Company’s ability to conduct operations in a safe, efficient and effective manner; (viii) and the Company’s construction plans, expansion of facilities, its costs and timeframe for completion of such plans. Forward-looking statements are not guarantees of future performance and undue reliance should not be placed on them. Forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of Quadron to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Many of these risk factors and uncertainties are discussed in certain Company documents, in a section entitled “Risk Factors”, and filed with the Canadian Securities Administrators which are available on SEDAR at www.sedar.com. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking statements contained herein are made as of the date of this Presentation and the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results, except as may be required by applicable securities laws. There can be no assurance that forward-looking statements 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 statements. Securities Laws. This Presentation is for informational purposes and does not constitute an offer or a solicitation of an offer to purchase the securities referred to herein. No Reproduction or Distribution: The contents of this presentation are not to be reproduced or distributed to any third party, including the general public or the media, without the express written consent of Quadron. 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None of the Company or its representatives independently verified the accuracy or completeness of the information contained in the Publications or assume any responsibility for the completeness or accuracy of the information derived from these Publications. Additional Information: Additional information relating to the Company has been filed electronically through SEDAR and is available online at www.sedar.com or at the Company’s website at www.quadroncannatech.com.

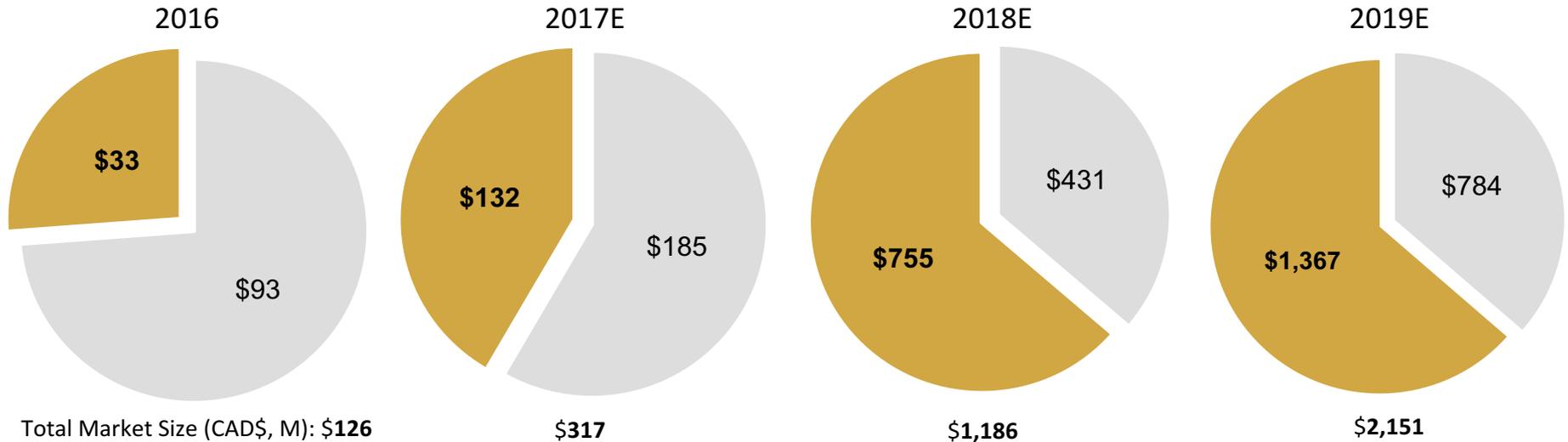


CANADIAN CANNABIS MARKET FORECAST

Assuming full legalization in 2018

■ Extracts/oil (CAD\$, M)

■ Dried Cannabis (CAD\$, M)



Cannabis oil consumption in Canada is expected to grow from 284 litres in 2015 to 562,613 litres by 2020 (198,000% growth) vs. dried marijuana consumption of 6,388 kg in 2015 to 110,034 kg in 2020 (1,600% growth).

Mackie Research Focus Report, April 8, 2016 at page 24



ABOUT QUADRON CANNATECH

Quadron Cannatech provides automated extraction and processing solutions through fully integrated equipment, ancillary products and services.

In-house engineering, manufacturing and science-related technology experience gives Quadron a leading edge as a designer, manufacturer, supplier and innovator of safe, compliant and efficient extraction and distillation equipment

- **Manufacturing Equipment for extraction, processing & refinement**

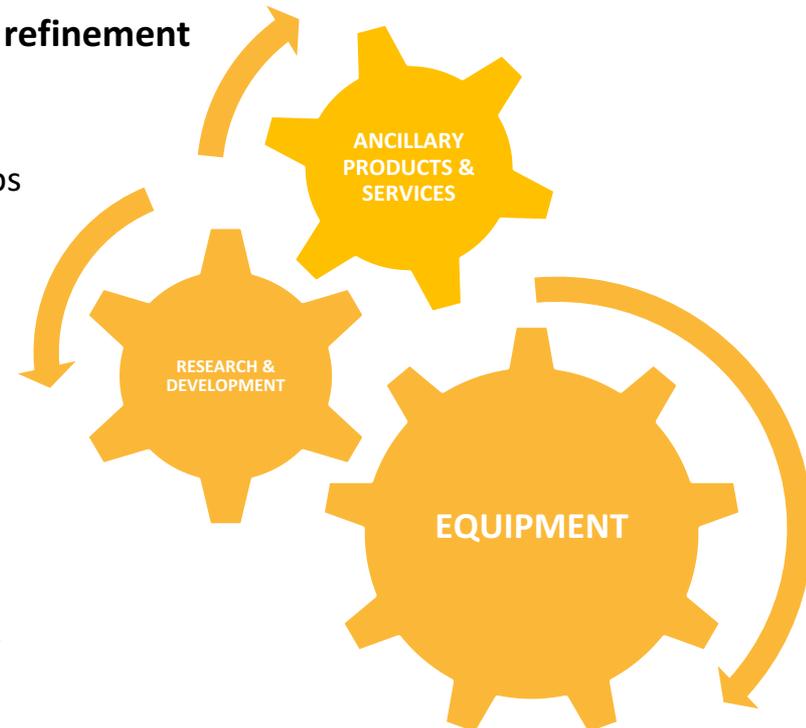
In-house design, engineering and automation team
Scalable, turn-key systems and laboratory environments
Sales, service contracts, financing, joint venture, partnerships

- **Ancillary Products & Services Supplier**

Providing customized branded end-user products that compliment our extraction and processing systems, including vapor pens and cartridges

- **Research & Development**

Integrating ongoing research and development with the science of cannabis for continuous improvement of our state-of-the-art equipment, ancillary products, and services.





FROM GREEN TO GOLD

Integrated Extraction, Processing & Equipment Solutions



Research & Development into new extraction and refining methods and technology



Cannabis flower, trim and waste material



Extraction of cannabis compounds into crude oil



Refinement through secondary processes including distillation



Extract formulation for therapeutic and recreational effects



Formulated extracts for customized ancillary products



EQUIPMENT SALES & SERVICE CONTRACTS

In addition to equipment sales, Quadron generates revenue through customized fixed term service contracts:

- Quadron works with clients to design and set-up unique laboratory environments with the equipment and personnel they require
- Each services contract is tailored to each client's unique extraction and processing needs and end-product goals (i.e. vape pens, capsules, suppositories)
- By working with Quadron's team of experts, our clients have access to our full suite of equipment and services, enabling them to penetrate the high margin cannabis oils market.





HIGH FLOW CO₂ SUPERCRITICAL EXTRACTION

Designed & Manufactured in-house

Advanced Proprietary Technology creating efficiencies over other models on the market:

- Fully automated - temperature, rate, pressure
- Increased flow & yield (**3-4X** faster processing cycle)
- Plug & Play (no external setup required)
- Software collects, store & analyzes data
- Programmable cycles - maximizing extraction efficiency
- Small footprint
- Designed and built to process 12,000KG+ annually
- Lower cost of operation

Automated features allow for monitoring and control of processes through smart devices, reducing manual operation.





LUCID LABS PARTNERSHIP / U.S. DISTRIBUTION

In August 2018 Quadron and Lucid Labs announced an LOI to enter a development and distribution agreement.

- Lucid Labs is a leading US cannabis equipment distributor based out of Washington State with distribution across the legalized US States.
- Will become a preferred sales agent in Western US for all processing systems and solutions offered by Quadron
- Will be co-developing four new processing systems for commercial release to the North American cannabis industry

US Extracts & Oils Market:

- Sales of cannabis concentrates have grown from \$3,483,681 in 2014 to \$143,282,686 in 2016 in Washington State (*Washington State Liquor and Cannabis Board*)
- Exponential growth in extracts market seen across all 8 legalized states



MOBILE EXTRACTION EQUIPMENT

Fully portable and scalable controlled-environment extraction and processing laboratory to service growers on-site

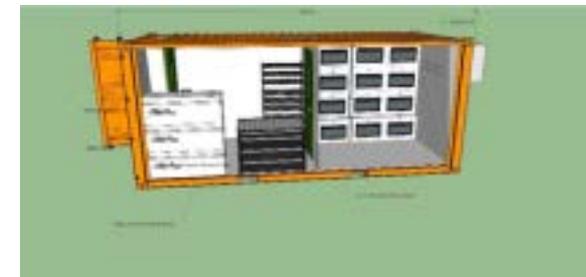
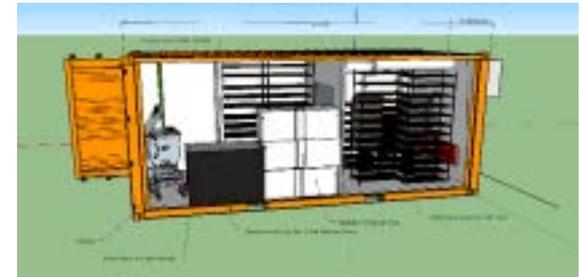
Mobile extraction provides authorized growers with a turnkey solution to:

- Easily access automated extraction systems
- Derive a highly consistent, safe and clean end-product
- Increase productivity

On-site extraction is a lucrative niche market allowing Quadron to apply its diversified knowledge and expertise to quickly generate high margin revenue.

Targeted Completion: **Winter 2017**

Anticipating 2 mobile units in the field by Spring 2018.





ANCILLARY PRODUCTS

Quadron in addition to producing extraction equipment provides a broad range of branded ancillary products creating an end to end solution for authorized growers.

- Ancillary products = vapor pens, cartridges, inhalers, capsules, tinctures, edibles and suppositories
- Quadron's engineers and professionals are focused on sourcing the highest quality consumption devices.
- Working with growers for custom branded vapor pens and cartridges
- **Plans to expand into capsules and suppositories market**

The concentrates market in California generated **\$169M** in sales in the second quarter of 2017 alone. Vape pens accounted for **61%** or **\$103M** of dollars sold.





CYBERNETIC CONTROL SYSTEMS INC.

Quadron's in-house engineering and automation group

Quadron acquired Cybernetic in **March 2017**. Cybernetic has a proven track record of designing, fabricating and supplying custom and standard machines bringing automation to the process manufacturing and industrial sectors

Cybernetic provides Quadron with automation and manufacturing expertise for the design and development of Quadron's line of cannabis extraction and processing equipment

September 2017, Cybernetics awarded license to be technical distributor and integrator for Schneider Electric, a global specialist in energy management and automation.



Fisheries and Oceans
Canada

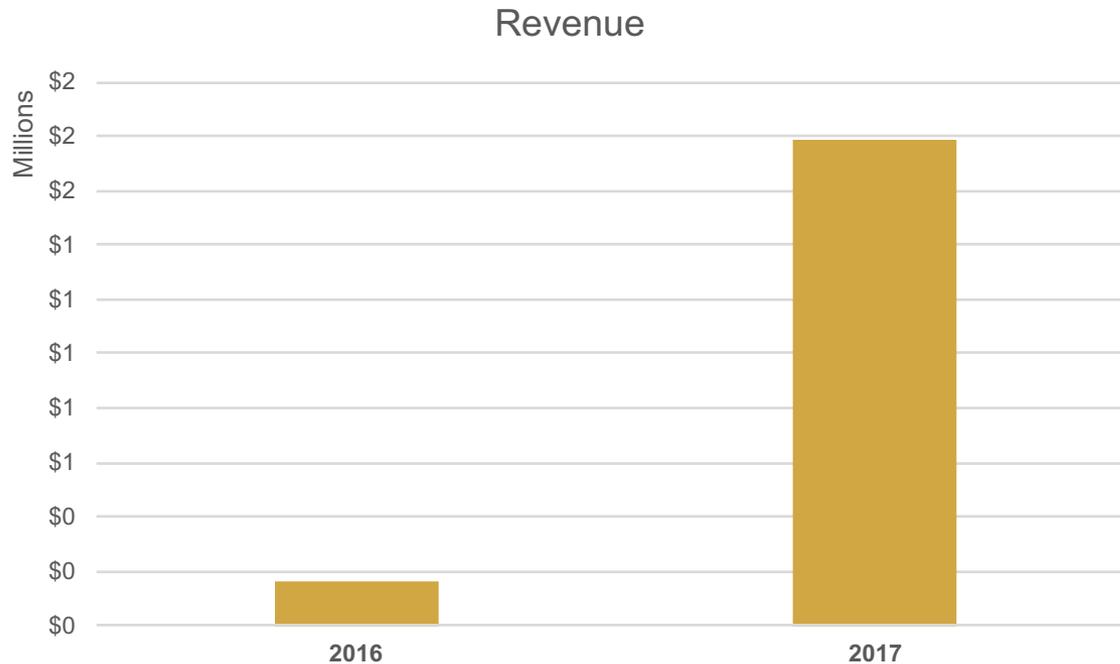




PERFORMANCE & GROWTH

Years ended April 30

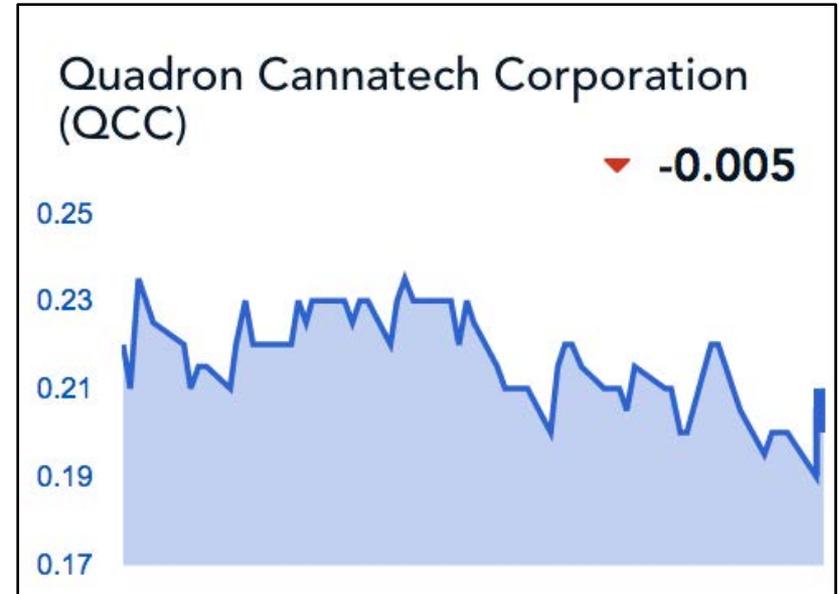
- 2017 revenue of \$1,789,788 compared to 2016 revenue of \$166,823
- 2017 gross margin for the year of \$502,320 (28%)
- Quadron acquired Cybernetic in March 2017 and their revenues will be realized in Q1 2018 (July 2017) .
- Q1 2017 Revenue of \$516,211, a 131% increase over Q1 July 31, 2016 and a 243% increase over Q4 2016





QCC SHARE STRUCTURE

Issues & Outstanding		47,914,500
Warrants @ 0.20	Exp. Aug 2018	9,846,000
	Exp. Feb 2018	183,750
Options		3,750,000
Preferred Shares		6,150,000
Total (Fully Diluted)		67,844,250
Insider Ownership (3-year Escrow)		13,100,000



Avg. Vol **63.57k** (3 months)



MANAGEMENT

Extensive experience in the cannabis industry with expertise in regulation and legislation, corporate & securities law, finance, biological engineering, mechanical engineering, and extraction technology



Rosy Mondin
Director, President & CEO,
Quadron Cannatech

Over 16 years of business, entrepreneurial and legal experience specializing in corporate law and regulatory affairs – held executive positions as General Counsel and Chief Legal Officer for companies involved in regulatory undertakings and in the securitization of real estate. She has successfully managed the development of public corporations and start up companies, and has served as strategic advisor and counsel in the venture capital space for well over a decade. Co-founder and Executive Director of the Cannabis Trade Alliance of Canada (CTAC), and special advisory to the Canadian Association of Medical Cannabis Dispensaries (CAMCD). Practicing lawyer & member of the BC Law Society; B.A (SFU, Deans List); LL.B (U of Windsor).



Jeff Durno
Director,
Quadron Cannatech

Partner at Cassels Brock & Blackwell LLP in the Securities Group with focus on primarily on securities and corporate finance matters. Mr. Durno was called to the Bar of Ontario in 1993 and British Columbia in 1994. Provides strategic advice to clients - from start-ups to emerging and established businesses, structuring and negotiating complex commercial transactions & financial restructurings. Active in the public market for more than two decades, Mr. Durno acts for issuers, investment dealers & investment advisors across a range of industries including technology, manufacturing, and natural resources. Mr. Durno is a member of the TSX-V Listing Advisory Committee (BC).



Scott Ackerman
Director,
Quadron Cannatech

President & CEO of Emprise Capital Corp., a Vancouver based merchant banking company providing management, restructuring, accounting & financial services to public companies. Over 25 years of experience in the financial services & capital markets industries having held senior executive roles in various capacities. Experience with public company operations & serves as a director & senior officer on a number of publicly traded and private 'start-up' companies.



Doug McFaul
Director, Chair of the Board of
Directors,
Quadron Cannatech

Over 23 years experience in the financial services & capital markets industries. Extensive experience with public company operations including in-depth understanding of regulatory requirements, financial statements, raising capital, & shareholder relations. BBA (Business Admin specialized in Finance), completion of Canadian Securities Course.



Robert Chisholm
Chief Financial Officer,
Quadron Cannatech

Over 30 years of experience in finance and administration. Currently CFO of Emprise Capital Corp., a Vancouver based merchant bank and serves as CFO and director for a number of public companies. Professional accountant holding a designation from the Certified Management Accountants of Canada.



MANAGEMENT (CONT.)



Kieran Forristal
President,
Soma Labs Scientific &
Greenmantle Products

Over 20 years capital market experience in Asia - working on the capital market trading floors in top ten international Investment banks. At BNP Paribas, Bank of America and Union Bank of Switzerland he rose to titles of Executive Director and Senior Vice President of Operations where he focused on complex & structured derivative process control, management, efficient operational growth & regulatory governance.



Shane Lander
Founder,
Soma Labs Scientific

30 years of business experience as an innovator and successful entrepreneur. CEO of Odorchem, manufacturer and distributor of 'ONA', the largest known odor abatement product specifically formulated for cannabis for 22 years. 15 years experience working with supercritical CO₂ & 25 years experience in mechanical design and systems automation. Co-founder & principal shareholder of Algeacan Biotech Inc. - completing its R&D process of the rapid growth & harvest of the microalgae Astaxanthin.



Michael MacDonald
Founder,
Cybernetic Control Systems

Over 25 years' experience successfully growing technology companies to profitability. Extensive experience in automation & machine development, utilizing a combined education in electronics engineering, chemistry & business. Co-founder of Cybernetic with Shane Lander; a technology company focused on bio-products, agricultural innovations & pharmaceuticals/nutraceuticals. Mike holds a degree as an A.Sc.T. (Electronics Engineering) from BCIT.



Greg Curtis
Lead Scientist,
Soma Labs Scientific

M.Sc.Eng, M.Sc
Chemical engineering and Green Chemistry research specialist. Extensive experience in clean oil upgrading and CO₂ extraction systems as well as renewable energy technology. With a background in process optimization and research leadership, he has provided chemistry expertise for the development of a plant biorefinery. Most recently served as a Brewer at a craft brewery in Toronto.



Peter Hausmanis
Lead Chemist,
Quadron Cannatech

BASc (UBC) & 10 years hands-on experience in chemical & biological engineering. Focused on reducing the environmental impact of pollutants (pollution prevention) through clean water systems, & developing new technologies in the waste to energy (green energy) sector. 3 years as lead chemist for Odorchem, refocusing his skills on management, quality control, & product redevelopment/reverse engineering.



INVESTMENT HIGHLIGHTS



Growing Canadian market - Cannabis oil consumption expected to grow from 284L in 2015 to 562,613L in Canada by 2020 (198,000% growth)



Leading in innovation - Quadron's CO2 Extractor is a fully automated system that allows growers to use programmed cycles to produce the highest quality oils



Organic revenue growth - Revenues grew to \$1,789,188 in 2017 from 2016 revenues of \$166,823



Distribution partnerships - Quadron has announced an LOI with Lucid Labs to distribute products to authorized growers in the Western United States



Quadron's Advantage - In-house engineering, manufacturing and science-related technology experience gives Quadron a leading edge



Proven management team – Extensive experience in the cannabis industry with expertise in regulation and legislation, law, finance, biological engineering, mechanical engineering, and extraction technology.

#GREENTOGOLD



QUADRON
Cannatech Corporation



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