

Benchmark, Zhejiang Yatai Pharma to explore Cannabis industry

03 June 2019 | News

Benchmark signs definitive investment cooperation agreement with China based Zhejiang Yatai Pharmaceutical



Benchmark Botanics, Inc., a federally-licensed producer and distributor of medical-grade cannabis, is pleased to report that it has signed a definitive agreement with China-based Zhejiang Yatai Pharmaceutical Co., Ltd., a publicly listed company on the Shenzhen Stock Exchange, to set up a joint venture company in Canada.

Subject to compliance with relevant Canadian Cannabis Laws, the new company will explore business opportunities in the Cannabis industry to become involved in cultivation, manufacture, processing, and marketing of high cannabidiol (CBD) cannabis products; in the cultivation and R&D of medical cannabis; and in the extraction, isolation, and purification of high-CBD cannabis oil for commercial applications.

On May 27, 2019, the companies signed the definitive investment cooperation agreement, whereby the parties agreed to set up the new joint venture company in Canada. The new company will have a share capital of \$14 million CAD, of which Zhejiang Yatai will invest \$7 million CAD cash, accounting for 50% of the new company's share capital; BBT will cause its wholly-owned subsidiary Potanicals Green Growers Inc. ("PGG") to use its existing Health Canada issued license to apply for a license for property to be acquired by the new company (the "Facility") for cannabis cultivation, processing, and sale thereon and in exchange BBT will receive 25% of the new company's share capital (with a cash equivalent of \$3.5 million CAD); and Rippington Investment ("RI") will invest \$3.5 million CAD, accounting for the remaining 25% of the new company's share capital.