

EASTWOOD BIO-MEDICAL CANADA INC.

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TSX-V: EBM

NEWS RELEASE

Eastwood Bio-Medical Canada to Settle Loan Owed by Eastwood Bio-Medical Research Inc.

August 9, 2018 – Vancouver, British Columbia – Eastwood Bio-Medical Canada Inc. (TSX-V: EBM) (the “**Company**”) announces that it proposes to settle the remaining outstanding balance of a loan (the “**Loan**”) in the amount of \$1,140,700 (the “**Loan Balance**”) owed by Eastwood Bio-Medical Research Inc. (“**EBMR**”) under a loan agreement dated June 24, 2016 (the “**Loan Agreement**”).

Subject to approval by the TSX Venture Exchange, the Company proposes to settle the Loan Balance owed by EBMR in the following manner:

- The transfer of certain assets in and improvements to premises owned by EBMR and in which the Company’s natural health products are produced, pursuant to a Bill of Sale for Construction Agreement to be entered into between the Company and EBMR. The purchase price for these assets will be \$265,000 and will be settled by the forgiveness by the Company of \$265,000 of the Loan Balance owed by EBMR.
- Leasing commercial space in premises owned by EBMR (and to which the improvements above were made) at a cost of \$72,000 per year for 6 years (\$432,000 total). The leasing cost will be paid by the forgiveness by the Company of \$432,000 of the Loan Balance owed by EBMR.
- EBMR will enter into a consulting agreement with the Company pursuant to which the EBMR will manage the production of the Company’s natural health products and pass on know how to the Company related to the production of those products. The services will be provided for a monthly consulting fee of \$3,000 over a period of 6 years. The aggregate consulting fees of \$216,000 will be paid through the forgiveness by the Company of \$216,000 of the Loan Balance owed by EBMR. As part of this process, the Company will develop the expertise necessary to produce natural health products on its own, which will reduce future production costs.
- The Company and EBMR are parties to a management and administrative services agreement dated December 12, 2012 as amended by an amending agreement dated June 1, 2014 (the “**Management Agreement**”), pursuant to which EBMR provides management services to the Company. EBMR has agreed to reduce the management fees under the Management Agreement by 15% over a 6 year period. This amounts to a reduction of \$227,700 over this period. This amount of the Loan Balance will be forgiven by the Company as a result of said reduction in management fees.

EBMR holds 69.5% of the issued and outstanding common shares of the Company. The proposed settlement of the Loan Agreement constitutes a “related party transaction” within the meaning of Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* (“MI 61-101”). The Company is relying on the exemptions from the formal valuation and minority approval requirements contained in Sections 5.5(b) and 5.7(1)(a) of MI 61-101, on the basis that the Company is not listed on specified markets and the fair market value of the transaction does not exceed 25% of the Company’s market capitalization.

About Eastwood Bio-Medical Canada, Inc.:

The Company is a Vancouver based biotechnology company whose Eleotin[®] brand of products provide natural sourced solutions for metabolic syndromes such as blood glucose control, obesity, and hypertension.

Eleotin[®] was initially developed by the scientists at the **Julia McFarlane Diabetes Research Center (JMDRC) at the University of Calgary in Alberta, Canada.** The JMDRC is a leader in research on the cause, cure, and prevention of Type I and Type II diabetes. After the initial development by the JMDRC, research and development were continued by Eastwood Bio-medical Research Inc., the Company, and other institutions around the world, including Tsinghua University of the People's Republic of China. Eleotin[®] products have been endorsed by thousands of doctors and diabetes associations around the globe.

More information on Eastwood Bio-Medical Canada Inc., can be found on the website www.eleotin.ca.

For further information, please contact:

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