

PONDEROUS PANDA CAPITAL CORP.
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NEWS RELEASE

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Ponderous Panda Capital Corp. Provides Update on Proposed Qualifying Transaction

Vancouver, British Columbia. Ponderous Panda Capital Corp. ("PPCC" or the "Company") (TSX VENTURE: PPCC.P), a capital pool company, wishes to update its News Release dated June 19, 2018 with respect to the acquisition (the "Proposed Transaction") of Trait Biosciences Inc. ("Trait").

PPCC is a capital pool company and the Proposed Transaction is intended to constitute the Company's qualifying transaction ("Qualifying Transaction") under Policy 2.4 of the TSX Venture Exchange (the "Exchange").

All amounts referred herein are in Canadian dollars unless otherwise indicated.

Non Arms Length Transaction

As previously stated the Company has common directors with Trait, as David W. Smalley is on the Board of Directors of both Trait and the Company.

The Proposed Transaction will therefore not be arms length as previously disclosed and therefore a shareholder meeting and the approval of the majority of the minority of the shareholders of the Company will be required prior to the completion of the Proposed Transaction.

Private Placement

Following the Company's June 19, 2018 Trait has completed two tranches of a private placement at a price per share of \$0.32 per share for a total of 38,419,463 shares for gross proceeds of \$12,294,228. The financing was majority arms length although non-arms length parties contributed a total of \$5,155,000 for 16,109,375 shares.

In consideration, PI Financial Corp. was paid a total cash commission of \$66,000.

The Company or Trait continue to seek additional financing to support the Proposed Transaction and either Trait or the Company or a combination of the two may complete a further financing or financings at \$0.32 per share or at another price commensurate with market conditions. The resulting funds will provide the Resulting Issuer with sufficient working capital to carry out its business plans.

The proceeds raised in the financing described above and in any future financings will be used to fund the costs associated with completing the Proposed Transaction, product development and optimization, obtaining relevant regulatory approvals, scale-up and commercialization, developing a product pipeline, developing a research facility in the Greater Toronto Area and for general working capital.

Commissions may be paid on proceeds of any further funds raised commensurate with industry norms. It is not known if any investment dealer or other registrant will be engaged to assist with future fund raising activities.

Change in Officers and Directors of Trait and Proposed Directors and Officers of the Resulting Issuer

On July 21, 2018 Trait undertook a reorganization of its Board of Directors and Officers. As a result the proposed directors Resulting Issuer will now be Joseph Del Moral, Ronan Levy, Michael B. Harrison, David W. Smalley and Rodney W. Reum. Mr. David T. Chu and Mr. Edward T. L. Cheung are not now proposed directors or officers of the Resulting Issuer.

As regards officers of the Resulting Issuer, Mr. Del Moral will be CEO; Mr. Hannan Fleiman will be President; Mr. Levy will be Chief Strategic Officer; Ms. Kimberly Landry will be Chief Development Officer; and Mr. Tawanda Zidenga will be Vice President Research. All other proposed officer positions in relation to the Resulting Issuer remain unchanged.

As a result of the change in management of Trait Mr. Del Moral, Mr. Fleiman and Mr. Levy were each issued 12,461,508 founders shares of Trait that are subject to escrow provisions, whereby 58% of such shares will be released in equal amounts over 3 years, and the remaining 42% of such shares will be released upon the achievement of certain milestones based upon the market value of the shares of Trait or the Resulting Issuer.

Joseph Del Moral – Director and CEO.

Mr. Del Moral is innovator in new and emerging industries. Mr. Del Moral is co-Founder served as CEO of Canadian Cannabis Clinics (CCC) until June 2018. Mr. Del Moral is also a co-founder of CanvasRx Inc., Canada's leading cannabis outreach and counselling service provider, where he served as CEO until its acquisition by Aurora Cannabis Inc. ("Aurora") In October, 2016

Following Canvas Rx's acquisition by Aurora Mr. Del Moral joined the Board of Directors of Aurora in October 2016 where he helped lead M&A efforts, resulting in over a dozen transactions, until March 2018.

Prior to his pioneering work in the cannabis industry, Mr. Del Moral held several senior positions in the energy industry, including as founder of Newton Home Comfort, before its acquisition by Just Energy in 2010. He holds a B.Comm in Finance from McGill University.

Ronan Levy – Director and Chief Strategic Officer

Mr. Levy is a co-founder with Mr. Del Moral of CanvasRX Inc. and CCC, where he served as Chief Corporate Officer and General Counsel until June, 2018. Mr. Levy also served as Senior Vice President, Business and Corporate Affairs at Aurora from October 2016 until March, 2018.

Prior to becoming involved in the cannabis industry Mr. Levy was a founder and President of Torontogold.com, a precious metal trading company and the founder of ClickGreener.com, a green online mall, that was ultimately acquired by Air Miles.

Mr. Levy is a lawyer by training and holds a B.Com in Commerce and a JD from the University of Toronto.

Hannan Fleiman – President

Mr. Fleiman was, along with Mr. Del Moral and Mr. Levy, a co-founder of CanvasRx and CCC, both of which he served as Chief Operating Officer. After Aurora's acquisition of Canvas RX he served Aurora as an adviser and helped lead M&A efforts, resulting in over a dozen transactions.

Prior to entering the cannabis industry Hannan was Vice President of Operations of National Home Services, a subsidiary of Just Energy Inc. (JE.TO) and a Senior Business Manager at Teva Pharmaceuticals Inc. where he managed the Hospital, OTC and Animal Care divisions.

He holds an MBA from McMaster University and a Bachelor of Science degree from the University of Guelph.

Dr. Tawanda Zidenga – Vice President, Research

Dr. Zidenga obtained his PhD. Plant Cellular and Molecular Biology from The Ohio State University in 2011 and was a visiting scholar at The Plant Biotechnology Center, Ohio State University from 2003-2004. He obtained his BSc. Crop Science from the University of Zimbabwe in 2001 on biosynthetic pathway research.

Prior to joining Trait Dr. Zidenga was a post doctoral research associate at the Los Alamos National Laboratory from 2014 to 2017 and an associate research scientist at the New Mexico Consortium from 2011 to 2014.

Capitalization of the Resulting Issuer

Following the additional issuance of founder's shares to Mr. Del Moral, Mr. Fleiman and Mr. Levy and the conclusion of two tranches of the above mentioned financing there are currently a total of 125,179,297 Trait common shares issued and outstanding and 6,489,976 stock options. This will result in PPCC issuing an aggregate of 125,179,297 common shares to Trait shareholders. These numbers will be adjusted accordingly to account for any further common shares issued by Trait in connection with any further financing.

There are currently 3,065,004 PPCC common shares issued and outstanding, as well as 306,500 stock options and therefore upon completion of the Proposed Transaction there are expected to be a minimum of 128,244,301 PPCC common shares issued and outstanding and 6,796,476 stock options of PPCC.

Upon completion of the Proposed Transaction, all PPCC common shares to be issued to holders of Trait shares upon completion of the Proposed Transaction may be subject to resale restrictions under securities laws and the policies of the Exchange, as applicable. In addition, all common shares held by Principals of PPCC (as such term is defined in the policies of the Exchange) will be held in escrow in accordance with the policies of the Exchange.

Additional Information on the Business of Trait

PPCC wishes to provide further information upon how the business of Trait is carried out. Trait currently owns 8 patents pending in relation to its technologies which have been assigned to Trait by Pebble Labs Inc. ("Pebble") and holds exclusive perpetual licenses to two further patents, one such patent licensed from Pebble directly and the other such patent assigned to Trait by Pebble and licensed from BioVentures, LLC working out of the University of Arkansas. The total cost of acquiring such patents and payable to Pebble is US\$2,525,000 of which Trait has paid US\$700,000 to date.

Trait has a master research and development agreement with Pebble whereby Pebble carries out research on Trait's technologies on tobacco and other non cannabis plants at Pebble's labs in Los Alamos, New Mexico. Trait is actively seeking partnerships elsewhere so that it may progress its various cannabis related research projects to the next stage in a jurisdiction that legally allows such research.

Pebble and Trait have shared, and do share a number of the same directors and shareholders and are therefore not at arms length to each other. At the date of this release David W. Smalley and Michael B. Harrison are directors of both Pebble and Trait, and 78% of the shares of Trait are owned by parties who are also shareholders in Pebble.

Trading Halt

The shares of PPCC will remain halted until completion of the Qualifying Transaction.

General

Completion of the Proposed Transaction is subject to a number of conditions, including but not limited to, Exchange acceptance and if applicable pursuant to Exchange Requirements, majority of the minority shareholder

approval. Where applicable, the Proposed Transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the Proposed Transaction will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the filing statement or other disclosure document to be prepared in connection with the Proposed Transaction, any information released or received with respect to the Proposed Transaction may not be accurate or complete and should not be relied upon. Trading in the securities of a capital pool company should be considered highly speculative.

The TSX Venture Exchange Inc. has in no way passed upon the merits of the Proposed Transaction and has neither approved nor disapproved the contents of this press release.

All information contained in this news release with respect to PPCC and Trait was supplied by the parties, respectively, for inclusion herein, and PPCC and its directors and officers have relied on Trait for any information concerning Trait.

For further information please contact:

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Forward Looking Statements

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

This news release contains forward-looking statements relating to the timing and completion of the Proposed Transaction, the future operations of the Company and other statements that are not historical facts. Forward-looking statements are often identified by terms such as "will", "may", "should", "anticipate", "expects" and similar expressions. All statements other than statements of historical fact, included in this release, including, without limitation, statements regarding the Proposed Transaction and the future plans and objectives of the Company, are forward-looking statements that involve risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from the Company's expectations include the failure to satisfy the conditions to completion of the Proposed Transaction set forth above and other risks detailed from time to time in the filings made by the Company with securities regulations.

The reader is cautioned that assumptions used in the preparation of any forward-looking information may prove to be incorrect. Events or circumstances may cause actual results to differ materially from those predicted, as a result of numerous known and unknown risks, uncertainties, and other factors, many of which are beyond the control of the Company. As a result, the Company cannot guarantee that the Proposed Transaction will be completed on the terms and within the time disclosed herein or at all. The reader is cautioned not to place undue reliance on any forward-looking information. Such information, although considered reasonable by management at the time of preparation, may prove to be incorrect and actual results may differ materially from those anticipated. Forward-looking statements contained in this news release are expressly qualified by this cautionary statement. The forward-looking statements contained in this news release are made as of the date of this news release and the Company will update or revise publicly any of the included forward-looking statements as expressly required by Canadian securities law.

In the case of Trait, this news release includes certain "forward-looking statements" which are particular to Trait and are not comprised of historical facts. Forward-looking statements include estimates and statements that

describe Trait's future plans, objectives or goals, including words to the effect that Trait or its management expects a stated condition or result to occur. Forward-looking statements may be identified by such terms as "believes", "anticipates", "expects", "estimates", "may", "could", "would", "will", or "plan". Since forward-looking statements are based on assumptions and address future events and conditions, by their very nature they involve inherent risks and uncertainties. Although these statements are based on information currently available to Trait, Trait provides no assurance that actual results will meet management's expectations. Risks, uncertainties and other factors involved with forward-looking information could cause actual events, results, performance, prospects and opportunities to differ materially from those expressed or implied by such forward-looking information. Forward looking information in this news release includes, but is not limited to, Trait's objectives, goals or future plans, statements, research results, timing of the commencement of operations and estimates of market conditions. Factors that could cause actual results to differ materially from such forward-looking information include, but are not limited to, the ability of the Trait to successfully implement its scientific research and product development strategy and whether these will yield the expected benefits; competitive factors in Trait's industry sector; the success or failure of product development programs; currently existing applicable laws and regulations or future applicable laws and regulations that may affect Trait's business; decisions of regulatory authorities and the timing thereof; claims or concerns regarding the safety or efficacy of marketed products or product candidates; the economic circumstances surrounding Trait's business, including general economic conditions in Canada, the US and worldwide; changes in exchange rates; changes in the equity market; inflation; uncertainties relating to the availability and costs of financing needed in the future; and those other risks to be disclosed in the filing statement or other disclosure document to be prepared in connection with the Proposed Transaction. Although Trait believes that the assumptions and factors used in preparing the forward-looking information in this news release are reasonable, undue reliance should not be placed on such information, which only applies as of the date of this news release, and no assurance can be given that such events will occur in the disclosed time frames or at all. Trait disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, other than as required by law.