

CAPHA PHARMACEUTICALS NOT PROCEEDING WITH BLOCKAGRAM BUSINESS COMBINATION PROCEEDS OF SUBSCRIPTION RECEIPTS TO BE RETURNED TO RECEIPT HOLDERS

West Kelowna, British Columbia / April 30, 2018 - Capha Pharmaceuticals Inc. (the "**Corporation**") announces that it will not be in a position to satisfy the Release Conditions (as defined herein) of its previously issued subscription receipts (each, a "**Subscription Receipt**") by April 30, 2018 (the "**Termination Date**") and has provided a direction to the escrow agent for the Subscription Receipts stating that the Subscription Funds (as defined herein) are to be returned to the holders of the Subscription Receipts. The Subscription Receipts were sold at a price of \$0.05 per Subscription Receipt for aggregate gross proceeds of \$617,500 (the "**Subscription Funds**")

Pursuant to the subscription receipt agreement (the "**Subscription Receipt Agreement**") dated December 22, 2017, as amended, the Subscription Funds were to be released to the Corporation upon the Corporation obtaining the conditional approval of the listing of the common shares of the Corporation on the Canadian Securities Exchange (the "**Release Conditions**").

The Corporation previously sought and obtained the approval of holders of the Subscription Receipts to extend the Termination Date from February 28, 2018 to April 30, 2018.

Pursuant to the Subscription Receipt Agreement, the Termination Date will be today's date. The conversion of the Subscription Receipts for common shares and warrants of the Corporation is terminated and cancelled and, within three business days of the Termination Date, the Corporation will mail to the holders of the Subscription Receipts a cheque in the aggregate amount of the aggregate subscription price in respect of such holder's Subscription Receipts.

As a result of the above, the Company will not be proceeding with the contemplated business combination with Blockagram Inc.

For more information, please contact:

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Forward Looking Information

This press release contains forward-looking statements and information that are based on the beliefs of management and reflect the Corporation's current expectations. When used in this press release, the words "estimate", "project", "belief", "anticipate", "intend", "expect", "plan", "predict", "may" or "should" and the negative of these words or such variations thereon or comparable terminology are intended to identify forward-looking statements and information. The forward-looking statements and information in this press release includes information relating to the timing of the Termination Date and the mailing of the Subscription Funds. Such statements and information reflect the current view of the Corporation.

Forward-looking statements and information are subject to various known and unknown risks and uncertainties, many of which are beyond the ability of the Corporation to control or predict, that may cause the Corporation's actual results, performance or achievements to be materially different from those expressed or implied thereby, and are developed based on assumptions about such risks, uncertainties and other factors set out herein, including but not limited to, the inherent uncertainty of production and cost estimates and the potential for unexpected costs and expenses, currency fluctuations, regulatory restrictions, liability, competition, loss of key employees and other related risks and uncertainties. The Corporation undertakes no obligation to update forward-looking information except as required by applicable law. Such forward-looking information represents management's best judgment based on information currently available. No forward-looking statement can be guaranteed and actual future results may vary materially. Accordingly, readers are advised not to place undue reliance on forward-looking statements or information.

*This press release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available. Not for distribution to U.S. newswire services or for dissemination in the United States. Any failure to comply with this restriction may constitute a violation of U.S. securities laws.*

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