

February 21, 2017

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NEWS RELEASE  
For Immediate Release

**UMBRAL INITIATES FALKLAND, BC PROPERTY PURCHASE  
AND PREPARES FOR ACMPR FACILITY RETROFIT**

Vancouver, B.C., February 21, 2017 – UMBRAL ENERGY CORP. (CSE: UMB) (the “Company” or “Umbral”) is pleased to announce that it has initiated the purchase of the property located in Falkland, BC. to be used to grow medical cannabis under the Access to Cannabis for Medical Purposes Regulations (ACMPR) and its 50% interest in an application submitted by PhyeinMed Inc. (“**PhyeinMed**”). PhyeinMed is a Stage 5 Review applicant owned 50 % by Umbral.

The property is a combination of 13 acres of useable development, a 10,000 sq. ft. commercial steel framed building and a residence to be used for executive offices, call centre, accounting and security screening. The medical cannabis grow facility is a short commute from several city centres in the region, allowing for ease of accessibility to labour and shipping requirements.

The purchase of the property and the completion of final renovation design and engineering has been initiated and expected to be completed within 90 days. Due to the existence of the current buildings, new structures are not required for the initial phase but a small expansion of one building will be required to accommodate the security measures required for the shipping vestibule. Notifications were sent to the local official departments which included the RCMP, fire department and Columbia Shuswap Regional District as required under the ACMPR. Upon notification to prepare for a pre-license inspection has been received by PhyeinMed from Health Canada, the facility will be well positioned with most if not all of the renovation and security requirements completed.

PhyeinMed anticipates that Health Canada will request additional information to confirm that the proposed site and storage security measures are in place, functional and comply with the requirements of the ACMPR and the Directive on Physical Security Requirements for Controlled Substances. In anticipation of the security requirements the Company completed and submitted with its original application thorough standard operating procedures, a master security plan, threat assessment report, vault requirements, site survey plan and architectural drawings to complete the necessary overlays for the security equipment to meet the requirements. Upon completion of the necessary requests and confirmation that the measures are in place Phyeinmed expects an affirmation letter from Health Canada.

Although PhyeinMed’s property is 13 acres of potential grow area, the company chooses to utilize the original building of 10,000 sq ft. Perfecting the growing process and utilizing the most technologically advanced systems while maintaining the integrity of the plant and adhering to public health safety are of the utmost importance to the management of PhyeinMed. Future plans utilizing 100% of the land use capabilities could allow for several additional expansion opportunities.

About Umbral Energy Corp.

The Company is currently listed as a junior resource issuer having mineral exploration projects. The Company is considering other activities to increase shareholder value, including non-resource projects. The Company has mineral exploration projects in Utah, Nevada and Quebec. In addition the Company has an interest in PhyeinMed, who has applied for a license from Health Canada to legally grow and sell medical marijuana.

**ON BEHALF OF THE BOARD OF DIRECTORS OF UMBRAL ENERGY CORP.**

“Jag Bal”

Jagdip Bal President and CEO

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This news release contains forward-looking information, which involves known and unknown risks, uncertainties and other factors that may cause actual events to differ materially from current expectation. Important factors - including the availability of funds, the results of financing efforts, the results of exploration activities -- that could cause actual results to differ materially from the Company's expectations are disclosed in the Company's documents filed from time to time on SEDAR (see [www.sedar.com](http://www.sedar.com)). Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this press release. The company disclaims any intention or obligation, except to the extent required by law, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

