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**VODIS TO ACQUIRE AND RETROFIT WASHINGTON STATE FACILITY**

October XX, 2014 - Vancouver, British Columbia – Vodis Pharmaceuticals Inc. (the “Company” or “Vodis”) (CSE: VP / FSE: 1JV) is pleased to announce that VODIS USA, INC., the Company’s wholly-owned subsidiary, has executed a Real Estate Purchase and Sale Agreement to acquire a 14,000 square foot facility in Washington State (the “Facility”).

The Facility, which was built in 2007, is zoned for use as an I-502 marijuana production and processing site and is serviced by state water and an 800 Amp Phase 3 Power supply. This is sufficient water and power to retrofit 4,000 square feet of the Facility as ‘production ready’. This work will constitute Phase 1 of the Company’s retrofit efforts.

The Company anticipates undertaking the following work in connection with completing the Phase 1 retrofit: Installation and operation of (1) Air Conditioning System; (2) Barb Wire Fences; (3) Surveillance System; (4) Grow Lights and Ballasts; (5) Quarantine Zone; and (6) Vault.

Once complete, it is the intent of the Company to lease the building to an I-502 Tier 3 production and processing licensee (the “Licensee”). The Company also intends to ensure the success of the potential Licensee by providing Standard Operating Procedures (“SOP”) and Good Manufacturing Practices (“GMP”). The Company will also license its’ “VIP” brand of products and brand name to the Licensee, which will provide the Licensee with the award winning brand name under which the Licensee will operate.

Otto Folprecht, Chief Executive Officer and Director of Vodis, states: “This marks a significant milestone in the Company’s development. While we are awaiting an inspection from Health Canada, the Company is moving forward on its expansion in Washington state. The facility we have acquired is ideal and can be quickly turned to production-ready status by a suitable 1-502 license holder.”

The purchase price for the Facility is $975,000 USD and the closing is subject to a 60 day due diligence period. The Company has placed $35,000 USD into an escrow account with its’ attorney to be advanced as earnest money and credited toward the down payment associated with the purchase of the Facility.

Once fully retrofitted, the Facility lease, advisory fees associated with providing the SOP and GMP and the “VIP” brand licensing package is expected to generate approximately $3.0 Million in gross revenue for the company on an annual basis, assuming the Facility operates at full capacity. The Phase 1 retrofit is expected to cost $400,000 USD.

**ABOUT THE WASHINGTON I-502 MARIJUANA MARKET**

In November 2012, the Washington State Liquor Control Board (WSLCB) passed Initiative 502 (I-502) pursuant to a vote by the people of the State of Washington. I-502 authorized the WSLCB to regulate and tax recreational marijuana products for persons over twenty-one years of age and thereby, created a new industry for the growing, processing and selling of Washington State-regulated recreational marijuana products. A recent WSLCB commissioned report by the Rand organization suggests that there are currently up to 650,000 recreational marijuana users in Washington State worth approximately $1.25 - $1.5 Billion USD in annual sales.

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*Forward-Looking Information:*

*This news release contains forward-looking statement, which relate to future events or future performance and reflect management's current expectations and assumptions. Such forward-looking statements reflect management's current beliefs and are based on assumptions made by and information currently available to the Company. Readers are cautioned that these forward looking statements are neither promises nor guarantees, and are subject to risks and uncertainties that may cause future results to differ materially from those expected including whether the Company will pass its inspection with Health Canada; whether the Company will begin production on the terms or at the capacities forecast, or at all; whether the Company will secure adequate financing to complete the additional work required at its production facility; whether the construction will be completed at the production facility in a timely manner or at all; whether the Company’s announced transaction will be completed on the terms announced or at all. Further, any forward looking statement including the statement “anticipates” and “Intent” in regards to Washington State expansion is subject to the building be subject to an exhaustive due diligence, which the building may not pass, and success in finding an appropriate i-502 license holder, and negotiating and concluding an agreement with i-502 license holder. Any dollar numbers that have been provided in terms of expectant gross revenue to be generated and profit is subject to the license holder successfully growing and selling the cannabis, and the Company being able to successfully recover the funds from the license holder. All of the forward-looking statements made in this news release are qualified by these cautionary statements and those in our continuous disclosure filings available on SEDAR at www.sedar.com. These forward-looking statements are made as of the date hereof and the Company does not assume any obligation to update or revise them to reflect new events or circumstances save as required under applicable securities legislation. This news release does not constitute an offer to sell securities and the Company is not soliciting an offer to buy securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.*

**The Canadian Securities Exchange has neither approved nor disapproved the contents of this news release and accepts no responsibility for the adequacy or accuracy hereof.**

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