

Cannara Biotech Inc. Completes Additional \$5 Million Private Placement

MONTREAL, July 9, 2021 /CNW/ - Cannara Biotech Inc. ("**Cannara**" or the "**Company**") (TSXV: LOVE) (OTCQB: LOVFF) (FRA: 8CB), a vertically integrated producer of premium-grade cannabis and derivative products with two Quebec-based mega cultivation facilities spanning over 1,650,000 sq. ft., today announced that it has closed an additional \$5 million private placement at an issue price per share of \$0.18, resulting in the issuance of 27,777,778 new common shares in the capital of the Company. This follows the Company's previously-announced acquisition of the one million square foot licensed cultivation and manufacturing facility in Valleyfield, Quebec and the two non-brokered private placements which through a combination of common shares and a convertible debentures raised a total of \$25 million to pay, in part, for the cost of the acquisition.



The Company also intends to convert its current \$5 million credit facility with Olymbec Investments Inc. ("Olymbec"), which bears interest at a rate of 13% per annum (the "Credit Facility"), into a convertible debenture bearing interest at a rate of 4% per annum and convertible into common shares of the Company at a conversion price of \$0.18 per share, resulting in the potential issuance to Olymbec of an additional 27,777,778 common shares. The proposed convertible debenture will have a suspended right of conversion, pending the obtaining of the consent of disinterested shareholders. If such conversion option is exercised and consent is obtained, a new "control person" of the Company would be created, resulting from the conversion of the \$5,000,000 convertible debenture described above, as well as the \$5,700,000 convertible debenture previously issued to Olymbec. The conversion of such debentures and the resulting issuance of 59,444,445 common shares to Olymbec would increase the number of common shares owned and controlled by Olymbec to 220,576,139, or approximately 23.57% of the Company's issued and outstanding shares.

About Cannara Biotech Inc.

Cannara Biotech Inc. (TSXV: LOVE) (OTCQB: LOVFF) (FRA: 8CB) is a vertically integrated producer of premium-grade cannabis and cannabis-derivative products for the Quebec and Canadian markets. Cannara owns two mega Quebec-based facilities spanning over 1,650,000 sq. ft., providing the Company with 125,000kg of potential annualized cultivation output. Leveraging Quebec's low electricity costs, Cannara's facilities produce craft cultivated premium-grade cannabis products at an affordable price. For more information, please visit cannara.ca.

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This information release contains certain forward-looking information. Such information involves known and unknown risks, uncertainties and other factors that may cause actual results,

performance or achievements to be materially different from those implied by statements herein, and therefore these statements should not be read as guarantees of future performance or results. All forward-looking statements are based on the Company's current beliefs as well as assumptions made by and information currently available to it as well as other factors. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this press release. Due to risks and uncertainties, including the risks and uncertainties identified by the Company in its public securities filings, actual events may differ materially from current expectations. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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