

# AVICANNA ANNOUNCES FILING OF AMENDED & RESTATED PRELIMINARY PROSPECTUS

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Toronto, March 19, 2019. Avicanna Inc. ("**Avicanna**" or the "**Corporation**"), a company focused on the eventual development and manufacturing and commercialization of plant-derived cannabinoid-based products, is pleased to announce that it has filed an amended and restated preliminary prospectus (the "**Amended Prospectus**"). The Amended Prospectus was filed with the securities regulatory authorities in each of the provinces of Alberta, British Columbia and Ontario (the "**Qualifying Jurisdictions**"). A copy of the Amended Prospectus is available under Avicanna's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

The Amended Prospectus discloses that we intend to complete a second tranche closing (the "**Second Tranche**") of special warrants of the Corporation (the "**Special Warrants**"). A total of 540,484 Special Warrants were issued on December 13, 2018 (the "**First Tranche**") at a price of \$8.00 per Special Warrant to purchasers in the Qualifying Jurisdictions, and the United States and certain other jurisdictions pursuant to an agency agreement dated December 13, 2018 (the "**Agency Agreement**") entered into among the Corporation and Sprott Capital Partners LP ("**Sprott**") and Paradigm Capital Inc. (the "**Agents**"). The Special Warrants that may be issued under the Second Tranche are not being offered or sold under the Amended Prospectus.

The Second Tranche contemplates an additional issue of up to 1,459,516 Special Warrants and is expected to close on or before April 5, 2019, or such other date that the Corporation and the Agents agree (the First Tranche and Second Tranche collectively referred to as the "**Offering**"). The Agency Agreement provides the Agents with an over-allotment option allowing them to place up to an additional 20% of the total number of Special Warrants sold under the Offering, subject to certain conditions being met.

Each Special Warrant will be automatically exercised, without payment of additional consideration into one common share in the capital of the Corporation (each, a "**Common Share**") and one half of one common share purchase warrant (each whole common share purchase warrant, a "**Warrant**") at 5:00 p.m. (Toronto time) upon the earlier of: (a) the date that is 120 days from the closing date; and (b) the third business day after the issuance of a receipt for a final prospectus qualifying the distribution of the Common Shares and Warrants.

Each Warrant, when issued, shall entitle the holder to acquire one Common Share at a price of \$10.00 for two years, subject to acceleration such that, if the Common Shares are listed and posted for trading on a stock exchange and the volume weighted average price of the Common Shares on such stock exchange is equal to or greater than \$12.50 for a period of 10 consecutive trading days, the Corporation may at its option elect to accelerate the expiry of the Warrants by providing notice to the holders thereof, in which case the Warrants will expire on the 30th calendar day following delivery of such notice.

The Amended Prospectus is currently being reviewed by the Ontario Securities Commission ("**OSC**") and has not yet become final for the purpose of the distribution securities, and there can be no assurance that the OSC will issue a receipt for the Corporation's final prospectus.

## **About Avicanna**

Avicanna is an Ontario corporation focused on the eventual development and manufacturing and commercialization of plant-derived cannabinoid-based products through its two main business segments, cultivation and research and development.

Avicanna's research and development business is primarily conducted out of Canada at its headquarters in the Johnson & Johnson Innovation Centre, JLABS @ Toronto. Avicanna's scientific team develops

products, and Avicanna has also engaged the services of researchers at the Leslie Dan Faculty of Pharmacy at the University of Toronto for the purpose of optimizing and improving upon its products.

Avicanna's two majority owned subsidiaries Sativa Nativa S.A.S. and Santa Marta Golden Hemp S.A.S., both located in Santa Marta, Colombia are the base for Avicanna's cultivation activities. These two companies are licensed to cultivate and process cannabis for the production of cannabis extracts and purified cannabinoids including cannabidiol (CBD) and tetrahydrocannabinol (THC).

Avicanna's research and development and cultivation activities are focused on the development of its key products, including plant-derived cannabinoid pharmaceuticals, phyto-therapeutics, derma-cosmetics and Extracts (defined as plant-derived cannabinoid extracts and purified cannabinoids, including distillates and isolates), with a goal of eventually having these products manufactured and distributed through various markets.

### **Advisories**

There can be no assurance that the OSC will issue a receipt for a final prospectus qualifying the distribution of the securities underlying the Special Warrants. The Prospectus contains important information relating to Avicanna, the Special Warrants and the securities issuable upon conversion thereof and is still subject to completion or amendment. For more information, readers should consult the Prospectus, including the risk factors described therein. There will not be any sale or any acceptance of an offer to buy the Special Warrants pursuant to the Prospectus. No securities regulatory authority has either approved or disapproved the content of this release.

This news release does not constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of any of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful, including any of the securities in the United States of America. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "1933 Act") or any state securities laws and may not be offered or sold within the United States or to, or for account or benefit of, U.S. Persons (as defined in Regulation S under the 1933 Act) unless registered under the 1933 Act and applicable state securities laws, or an exemption from such registration requirements is available.

### *Forward Looking Information*

This release contains forward-looking information and forward-looking statements, within the meaning of applicable Canadian securities legislation, and forward looking statements, within the meaning of applicable United States securities legislation (collectively, "**forward-looking statements**"), which reflects management's expectations regarding the Corporation's future growth, results from operations (including, without limitation, future production and capital expenditures), performance (both operational and financial) and business prospects and opportunities. Wherever possible, words such as "predicts", "projects", "targets", "plans", "expects", "does not expect", "budget", "scheduled", "estimates", "forecasts", "anticipate" or "does not anticipate", "believe", "intend" and similar expressions or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved, or the negative or grammatical variation thereof or other variations thereof, or comparable terminology have been used to identify forward-looking statements. These forward-looking statements include, among other things, statements relating to: receipt for the final prospectus of the Corporation qualifying the distribution of the securities underlying the Special Warrants and consequential conversion of the Special Warrants and the Corporation's business plans and outlook. Forward-looking statements are not a guarantee and are based on a number of estimates and assumptions management believes to be relevant and reasonable. For more information on these risks please see the Prospectus.