

AVICANNA ANNOUNCES TSX LISTING DATE

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Toronto, Ontario – July 16, 2019 – Avicanna Inc. ("**Avicanna**" or the "**Company**") a company focused on the development, manufacturing, and commercialization of plant-derived cannabinoid-based products, is pleased to announce that its common shares ("**Common Shares**") are expected to commence trading on the Toronto Stock Exchange (the "**TSX**") on Thursday, July 18, 2019 under the symbol "AVCN". The listing represents the first direct listing on the TSX by a company with Colombian-based cannabis cultivation assets. In connection with its first day of trading, Avicanna will be participating in market open ceremonies at the TSX, which will be broadcast live on the Business News Network morning show and live streamed on YouTube.

In connection with listing on the TSX, shareholders holding an aggregate of 10,523,077 Common Shares have entered into lock-up agreements pursuant to which they have agreed not to sell, transfer or pledge any securities of the Company for a period of 39 months following the listing date where 10% of such securities will be released on the date that is three months following the listing date with the remaining securities released in six equal tranches of 15% every six months following the first release. In addition, shareholders holding an aggregate of 1,495,022 Common Shares have entered into lock-up agreements pursuant to which each such shareholder has agreed not to sell, transfer or pledge any securities of the Company held by such shareholder, for a period of 4 months following the listing date where 20% of such securities will be released immediately prior to the listing date with the remaining securities released in four equal tranches of 20% every month thereafter.

A copy of the Company's final long-form prospectus is available on SEDAR at www.sedar.com.

About Avicanna

Avicanna is an Ontario corporation focused on the development, manufacturing, and commercialization of plant-derived cannabinoid-based products through its two main business segments: (i) cultivation and (ii) research and development. The Company's business is focused on the development, manufacturing, and commercialization of 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).

Research and Development Activities

Avicanna's research and development is headquartered in the Johnson & Johnson Innovation Centre, JLABS @ Toronto. The Company is focused on commencing and completing clinical trials for its pharmaceutical products, completing testing to support its phyto-therapeutic products under the Pura Elements™ brand, commencing the manufacture and distribution of its derma-cosmetic products under the Pura Earth™ brand, and commencing clinical trials on three of its derma-cosmetic products to demonstrate their effectiveness with specific cosmetic endpoints, such as reduction of fine lines or increased skin moisture levels.

In connection with its research and development activities, Avicanna has a team of more than 20 scientists and clinicians working out of four laboratories including: (i) the University of Toronto Faculty of Pharmacy;

(ii) JLABS @ Toronto which is located in the MaRS Discovery District; (iii) the facilities of the Company's subsidiaries in Santa Marta, Colombia; and (iv) the facilities of Avicanna's manufacturing partner, Altea Farmaceutica S.A. ("**Altea**"). Through its various operations, Avicanna's team of scientists and clinicians are enhancing product optimization through the completion of animal pharmacokinetics and toxicology studies and pre-clinical studies, including both *in vitro* and *in vivo* studies to demonstrate the safety and efficacy of Avicanna's product offering.

Avicanna currently has the following clinical trials in progress or planned for the near future:

- *CAIMED (Centro de Atencion e Investigacion Medica CAIMED S.A.S.)*. Phase I studies are expected to commence in the second half of 2019 with CAIMED for certain cosmetic trials.
- *University of West Indies*. Avicanna is currently conducting a prevalence study through UWI to determine the prevalence of neuropathic pain in a random sample of 500 to 600 patients suffering from Sick Cell disease.
- *SickKids*. Avicanna has received ethics approval to conduct a clinical study with the Hospital for Sick Children to explore safety, tolerability and efficacy of CBD on patients with dermatological indication. Avicanna has completed animal pharmacokinetics and toxicology studies and a clinical trial application is in progress and expected to be submitted before the end of July 2019.
- *Pending Approval*. Avicanna also has pending pharmaceutical and phyto-therapeutic trials that are currently in protocol development and are being submitted for ethics approval. Such products are aimed at addressing neuropathic pain, chronic pain, and Eczema.

Cultivation and Supply Chain

Avicanna's cultivation activities are conducted by its two majority-owned subsidiaries, Sativa Nativa S.A.S. ("**Sativa Nativa**") and Santa Marta Golden Hemp S.A.S. ("**SMGH**"), both located in Santa Marta, Colombia in the foothills of the Sierra Nevada Mountains. The location offers 12 hours of daily sunlight year-round, while the tropical weather of Santa Marta and microclimate of the Sierra Nevada Mountains provide optimal conditions to maximize the number and amount of harvests. Access to cost efficient energy sources and construction labour allow for affordable expansion and production. Both companies also have easy access to the local Santa Marta shipping port that is expected to provide low cost shipping for export.

Sativa Nativa and SMGH are focused on commercial cannabis and are licensed to cultivate and process cannabis for the production of cannabis extracts and purified cannabinoids including cannabidiol (CBD) and tetrahydrocannabinol (THC). SMGH has 200,000 square feet of shadehouse plus 20,000 square feet of customized greenhouse space and construction is currently underway for an additional 70,000 square feet of shadehouse and the related infrastructure. Thus far, SMGH has achieved genetic registration of one non-psychoactive strain (CBD) and three psychoactive strains (THC) and is currently cultivating its registered non-psychoactive genetics while it seeks to obtain quotas for its psychoactive genetics. SMGH currently has an inventory of approximately 1.3 tonnes of flower of its registered non-psychoactive genetic. SMGH has applied for good agricultural practices ("**GACP**") and organic certifications and the preliminary site visits for them have been completed. SMGH expects to receive the certifications before the end of 2019. Sativa Nativa currently has 50,000 square feet of shadehouse plus 20,000 square feet of customized greenhouse space and construction is currently underway for an additional 50,000 square feet of shadehouse. Sativa Nativa does not currently have any registered genetics under cultivation, however, it is

currently cultivating for the purposes of genetic registration.

Extraction and Manufacturing

In October, Avicanna completed the technical transfer of its extraction and isolation techniques to SMGH. SMGH intends to utilize Avicanna's techniques in its extraction lab, which is currently capable of processing 300 kg of bio-mass per day, resulting in production capacity of 45kg of resin per day. The SMGH laboratory is capable of extraction, distillation, and isolation of cannabinoids in addition to analytical testing and quality control. Avicanna intends to utilize the isolates produced at the SMGH facility from SMGH's registered non-psychoactive cannabis genetic in its derma-cosmetic products marketed under the Pura Earth™ brand.

Avicanna has entered into a manufacturing agreement with Altea, pursuant to which Altea will be the exclusive manufacturer of Avicanna products in Colombia. Under the agreement, Altea has committed to manufacture products containing cannabinoids exclusively for Avicanna, subject to certain minimum order quantities purchased from Altea on an annual basis. Altea's facility maintains a number of requisite approvals that will allow Avicanna to ensure its pharmaceutical, phyto-therapeutic and derma-cosmetic products comply with a high standard of quality, including INVIMA for Good Laboratory Practices (Colombia), Bureau Veritas for ISO 14001 environmental management system for Good Manufacturing Practices (Australia), ANVISA for Good Manufacturing Practices (Brazil), and Health Canada for Good Manufacturing Practices (Canada).

Avicanna's Products

Derma-Cosmetics

Avicanna intends to distribute its line of derma-cosmetic products under the Pura Earth™ brand. Avicanna's CBD based derma-cosmetic products are formulated to maintain and improve the health and beauty of the skin through high-end cosmetic formulations supported by research data. Avicanna has completed the technical transfer of all derma-cosmetic products to be manufactured by Altea both for testing and commercial scale production purposes. Avicanna has entered into an agreement with Percos S.A. ("**Percos**") pursuant to which it has appointed Percos as the exclusive distributor of Pura Earth™ derma-cosmetics products in Colombia, subject to certain minimum sales volumes and the Company anticipates that its Pura Earth™ derma-cosmetics products will be on the market before the end of 2019. In addition, Avicanna has contracted CAIMED to conduct clinical studies on three of its derma-cosmetics products to demonstrate their effectiveness with specific cosmetic endpoints, such as reduction of fine lines or efficacy as moisturizer for acne and eczema prone skin.

Phyto-Therapeutics

Avicanna intends to distribute its line of phyto-therapeutic products under the Pura Elements™ brand. Avicanna's phyto-therapeutic products consist of cannabis plant extracts designed for medical or homeopathic use, but are not pharmaceuticals or drugs. These phyto-therapeutic products will be manufactured by Altea under Avicanna's current agreement with Altea. Avicanna has completed the technical transfer of its phyto-therapeutic products to Altea both for testing and commercial scale production purposes. There are a wide range of targeted delivery mechanisms for these products including tablets, sublingual sprays, oil drops, capsules, patches, creams and gels, which will be supported by bioavailability and pharmacokinetic data. It is expected that Altea will manufacture Avicanna's phyto-therapeutic products, ranging from isolated CBD formulations to CBD-THC whole plant extracts, using cannabis sourced from

SMGH and Sativa Nativa. These products will be manufactured under the various approvals and certifications maintained by Altea and will use USP-NF (pharmaceutical-grade) ingredients. Avicanna is currently preparing for commercial launch of its phyto-therapeutic products, initially expected to occur through pharmacies in Colombia, and expects to begin bringing these products to market in 2020.

Pharmaceuticals

Avicanna's initial pipeline of pharmaceutical products will address neurology, dermatology, and pain. Avicanna's pharmaceutical products will be manufactured, first, in test batches for use in its clinical trials, and then, provided the products successfully complete the process, for distribution to end users by Altea. Avicanna is currently conducting product optimization for dosage and form of delivery through its research and development department and in collaboration with the University of Toronto. These products are expected to eventually be commercialized as over-the-counter medicines and prescription drugs.

Stay Connected

For more information about Avicanna, visit www.avicanna.com, call 1-647-243-5283, or contact Setu Purohit, President by email info@avicanna.com.

Cautionary Note Regarding Forward-Looking Information and Statements

This press release contains certain "forward-looking information" within the meaning of applicable Canadian securities legislation and may also contain statements that may constitute "forward-looking statements" within the meaning of the safe harbor provisions of the United States Private Securities Litigation Reform Act of 1995. Such forward-looking information and forward-looking statements are not representative of historical facts or information or current condition, but instead represent only Avicanna's beliefs regarding future events, plans or objectives, many of which, by their nature, are inherently uncertain and outside of Avicanna's control. Generally, such forward-looking information or forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or may contain statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "will continue", "will occur" or "will be achieved". The forward-looking information and forward-looking statements contained herein may include, but is not limited to, the expected initial listing date, information concerning the planned capacities of the SMGH and Sativa Nativa facilities, the expected timing of GACP and organic certifications, the use of the Company's extraction techniques and cannabis genetics by SMGH and Sativa Nativa, the brands under which the Company's derma-cosmetic and phyto-therapeutic products will be marketed and distributed, the timing of the distribution of the Company's derma-cosmetic and phyto-therapeutic products, the goal of the Company's initial clinical studies, the expected timing of the Company's initial clinical studies, the manufacturer of the Company's products, the ingredients to be used in the Company's final products, the approvals to be maintained by Altea and the expected designations of the Company's pharmaceutical products.

By identifying such information and statements in this manner, Avicanna is alerting the reader that such information and statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of Avicanna to be materially different from those expressed or implied by such information and statements. In addition, in connection with the forward-looking information and forward-looking statements contained in this press release, Avicanna has made certain assumptions.

Among others, the key factors that could cause actual results to differ materially from those projected in the forward-looking information and statements are the following: delays in obtaining the necessary approvals from the TSX; delays in opening new cultivation and manufacturing facilities; higher than expected costs to construct and operate cultivation and manufacturing facilities; adverse changes in the public perception of cannabis; changes in consumer demand for cannabis; decreases in the prevailing prices for cannabis and cannabis products in the markets in which the Company operates; adverse changes in applicable laws; adverse changes in the application or enforcement of

current laws, including those related to taxation; increasing costs of compliance with extensive government regulation; changes in general economic, business and political conditions, including changes in the financial markets and in particular in the ability of the Company to raise debt and equity capital in the amounts and at the costs that it expects; risks related to licensing, including the ability to obtain the requisite licenses or renew existing licenses for the Company's proposed operations; dependence upon third party service providers, skilled labor and other key inputs; risks inherent in the agricultural and retail business; intellectual property risks; risks related to litigation; dependence upon senior management; and the other risks disclosed in the Company's long form final prospectus dated July 8, 2019. Should one or more of these risks, uncertainties or other factors materialize, or should assumptions underlying the forward-looking information or statements prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, believed, estimated or expected.

Although Avicanna believes that the assumptions and factors used in preparing, and the expectations contained in, the forward-looking information and statements are reasonable, undue reliance should not be placed on such information and statements, and no assurance or guarantee can be given that such forward-looking information and statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information and statements. Key assumptions used herein are that there will not be any unexpected costs or delays in the completion of the facilities at Sativa Nativa and SMGH, SMGH will be able to harvest sufficient product to meet the needs of the Company, SMGH will be able to maintain high quality extracts, there will not be any delay in obtaining GACP or organic certifications, the Company will be able to market its phyto-therapeutics and derma-cosmetics under the Pura Elements™ and Pura Earth™ brands, there will be no unexpected delays or costs in obtaining the necessary ethics or trial approvals for the commencement of clinical trials, Altea will use agreed upon ingredients in the manufacture of the Company's products and will maintain the necessary approvals and standards to meet the Company's quality objectives, initial clinical studies will provide results in line with management's current expectations and there will not be significant changes to the regulatory landscape that would prevent the Company from manufacturing and distributing its products pursuant to management's current plan. The forward-looking information and forward-looking statements contained in this press release are made as of the date of this press release, and Avicanna does not undertake to update any forward-looking information and/or forward-looking statements that are contained or referenced herein, except in accordance with applicable securities laws. All subsequent written and oral forward-looking information and statements attributable to Avicanna or persons acting on its behalf is expressly qualified in its entirety by this notice.