Avicanna announces the award of two Canadian government NSERC grants: 1) Cannabinoid-based pharmaceutical formulations for the treatment of COVID-19 in collaboration with the University of Toronto; and, 2) Evaluation of cannabinoids for reversing cannabis-based toxicosis in collaboration with the University of Guelph

In addition to a recent MITACS award, Dr. Christine Allen, a Professor at the University of Toronto, was awarded an NSERC Alliance grant for development of cannabinoid-based pharmaceutical formulations for the treatment of COVID-19 induced lung inflammation

Avicanna further expands its existing neurobiological research collaboration with Dr. Jibran Khokhar, a Professor at the University of Guelph, with a 2-year NSERC Alliance grant to investigate the neural basis of cannabis-induced toxicosis

The two NSERC grants leverage the proven track record of Avicanna, the University of Toronto and the University of Guelph in the research and clinical development of cannabinoid-based medicines

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Toronto, Ontario – July 24, 2020 – Avicanna Inc. ("**Avicanna**" or the "**Company**") (TSX: AVCN) (OTCQX: AVCNF) (FSE: 0NN), a biopharmaceutical company focused on the development, manufacturing and commercialization of plant-derived cannabinoid-based products, is pleased to announce that the Company's research collaborators have received two independent peer-reviewed grants from the Natural Sciences and Engineering Research Council of Canada ("**NSERC**"). The NSERC Alliance grants will be used to expand the investigators' collaborative research with Avicanna.

For the past three years, Dr. Christine Allen's research group (CARG) in the Leslie Dan Faculty of Pharmacy at the University of Toronto has supported the development and optimization of Avicanna's cannabinoid-based products including commercial cosmetics (Pura H&W) and medical cannabis (Rho Phyto) product lines and the pharmaceutical pipeline that is currently under clinical investigation. Dr. Allen will now leverage a recent MITACS award in addition to this NSERC Alliance grant in collaboration with Avicanna to develop a cannabinoid-based formulation for treatment of COVID-19 related lung inflammation.

A second NSERC Alliance grant was awarded to Dr. Jibran Khokhar, Assistant Professor at the University of Guelph, who has an extensive track-record in behavioural pharmacology and neuroscience. Avicanna's research program with Dr. Khokhar focuses on evaluating a variety of cannabinoids in several preclinical models of human psychiatric conditions including mental health disorders such as anxiety, depression, and PTSD. The NSERC grant was awarded to evaluate the neurobiological underpinnings of cannabis toxicosis in a preclinical model, and test

the potential efficacy of Avicanna's naturally-derived cannabinoids and formulations in the treatment of cannabis-induced toxicosis. With the recent changes in the Canadian regulations for Cannabis 2.0 allowing for cannabinoid edibles and vapes, there is concern around an increased risk for adverse events arising from accidental high-dose cannabis ingestion. Thus, this two-year project will determine the behavioural and neural correlations of cannabis-induced toxicosis and the effects of cannabinoids for counteracting cannabis-induced toxicosis.

Dr Jibran Khokhar, commented, "This research is extremely timely with the new Cannabis 2.0 regulations and the increased risk for cannabis-induced toxicosis. I am thankful to NSERC and Avicanna for support of this important research that will have an impact in our understanding of the neurobiological underpinnings of, and provide novel treatment avenues to treat, adverse events related to high-dose cannabis exposures. "

About Avicanna Inc.

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

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 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 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.

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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 news release contains "forward-looking information" within the meaning of applicable securities laws. Forward-looking information contained in this press release may be identified by the use of words such as, "may", "would", "could", "will", "likely", "expect", "anticipate", "believe, "intend", "plan", "forecast", "project", "estimate", "outlook" and other similar expressions, and includes statements with respect to the ability of the Company and CARG to develop cannabinoid-based pharmaceutical formulations to treat COVID-19 induced lung inflammation, the ability of the Company to develop cannabinoid-based pharmaceutical products, the results of the two-year project with the University of Guelph determining the behavioural and neural correlations of cannabis-induced toxicosis and the effect of cannabinoids to counteract cannabis-induced toxicosis. Forward-looking information is not a guarantee of future performance and is based upon a number of estimates and assumptions of management in light of management's experience and perception of trends, current conditions and expected developments, as well as other factors relevant in the circumstances, including assumptions in respect of current and future market conditions, the current and future regulatory environment; and the availability of licenses, approvals and permits.

Although the Company believes that the expectations and assumptions on which such forward-looking information is based are reasonable, undue reliance should not be placed on the forward-looking information because the Company can give no assurance that they will prove to be correct. Actual results and developments may differ materially from those contemplated by these statements. Forward-looking information is subject to a variety of risks and uncertainties that could cause actual events or results to differ materially from those projected in the forward-looking information. Such risks and uncertainties include, but are not limited to current and future market conditions, including the market price of the common shares of the Company, and the risk factors set out in the Company's annual information form dated April 15, 2020, filed with the Canadian securities regulators and available under the Company's profile on SEDAR at www.sedar.com.

The statements in this press release are made as of the date of this release. The Company disclaims any intent or obligation to update any forward-looking information, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws.