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LAWS

AVICANNA ANNOUNCES CLOSING OF PUBLIC OFFERING OF UNITS

TORONTO, CANADA – December 8, 2020 – Avicanna Inc. ("**Avicanna**", or the "**Company**") (TSX: AVCN) (OTCQX: AVCNF) (FSE: ONN) is pleased to announce the closing of its previously announced marketed public offering of 5,966,900 units (the "**Units**") of the Company at a price of \$0.85 per Unit, for gross proceeds of \$5,071,865 (the "**Offering**"). Each Unit is comprised of one common share of the Company (each a "**Common Share**") and one-half of one common share purchase warrant of the Company (each full warrant, a "**Warrant**" and collectively the "**Warrants**"). Each Warrant is exercisable for one Common Share at a price of \$1.20 per share at any time for a period of 36 months following closing of the Offering.

The Offering was conducted on a "best efforts" basis by a syndicate of agents led by Echelon Wealth Partners Inc., as lead agent and sole-bookrunner, and including Beacon Securities Limited and Canaccord Genuity Corp. (collectively, the "**Agents**").

Aras Azadian, CEO of Avicanna, commented: "The completion of our first prospectus offering and substantial capital raise since our IPO is a confirmation of the on-going support from our existing and new shareholders during a difficult time in the market. This also coincides with further cost reductions and with the launch of our medical products and several other commercial initiatives across several markets where we intend to use the use the proceeds of this raise to pave the way to sustainability and profitability."

The Company has granted the Agents an option, exercisable in whole or in part, at the sole discretion of the Agents, at any time for a period of 30 days from and including the closing of the Offering, to purchase from the Company up to an additional 15% of the Units sold under the Offering, on the same terms and conditions of the Offering to cover over-allotments, if any, and for market stabilization purposes (the "**Over-Allotment Option**"). The Over-Allotment Option may be exercised by the Agents to purchase additional Units, Common Shares, Warrants or any combination thereof.

The Company intends to use the net proceeds of the Offering for product development, working capital and general corporate purposes.

The securities described in this press release have not been and will not be registered under the *United States Securities Act of 1933*, as amended ("**U.S. Securities Act**") or any state securities laws. Accordingly, the securities may not be offered or sold in the United States (as such term is defined in Regulation S under the U.S. Securities Act) or to, or for the account or benefit of, a U.S. person (as such term is defined in Regulation S under the U.S. Securities Act) except pursuant to transactions exempt from registration under the U.S. Securities Act and under the securities laws of any applicable state. This news release does not constitute an offer to sell or a solicitation of an offer to sell any of securities in the United States.

About Avicanna Inc.

Avicanna is a diversified and vertically integrated Canadian biopharmaceutical company focused on the research, development, and commercialization of plant-derived cannabinoid-based products for the global consumer, medical, and pharmaceutical market segments.

Avicanna is an established leader in cannabinoid research and development, which it primarily conducts at its R&D headquarters in the Johnson & Johnson Innovation Centre, JLABS @ Toronto, Canada and in collaboration with leading Canadian academic and medical institutions. In addition to its developing pharmaceutical pipeline, Avicanna's team of experts have developed and commercialized several industry leading product lines, including:

- Pura H&W™: an advanced and clinically tested line of CBD consumer derma-cosmetic products; and,

- RHO Phyto™: an advanced line of medical cannabis products containing varying ratios of CBD and THC currently available nation-wide across Canada in partnership with Medical Cannabis by Shoppers™, a subsidiary of Shoppers Drug Mart. RHO Phyto is the first strictly medical formulary of advanced "Cannabis 2.0" products, containing oils, sprays, capsules, creams, and gels, all 2 developed with scientific rigour, manufactured under GMP standards and supported by pre-clinical data.

With ongoing clinical trials on its derma-cosmetic (Pura H&W), medical cannabis (RHO Phyto) and a pipeline of pharmaceutical products, Avicanna's dedication to researching the important role that cannabinoids play in an increasingly wider scope of products has been at the core of the Company's vision since its inception. Furthermore, Avicanna's commitment to education is demonstrated through its annual medical symposium, the Avicanna Academy educational platform, and the My Cannabis Clinic patient program through its subsidiary company.

Avicanna manages its own supply chain including cultivation and extraction through its two majority-owned subsidiaries, Sativa Nativa S.A.S. and Santa Marta Golden Hemp S.A.S., both located in Santa Marta, Colombia. Through these sustainable, economical, and industrial scale subsidiaries, Avicanna cultivates, processes, and commercializes a range of cannabis and hemp cultivars dominant in CBD, CBG, THC, and other cannabinoids for use as active pharmaceutical ingredients. Avicanna's Avesta Genetica program specializes in the development and optimization of rare cultivars for commercial production along with feminized seeds for global export. In June 2020, Avicanna made history with a shipment of hemp seeds to the United States of America by completing the first ever export of hemp seeds from Colombia.

SOURCE: Avicanna Inc.

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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 at 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. The forward-looking information contained in this news release is based on certain key expectations and assumptions made by the Company, including satisfaction of regulatory requirements in various jurisdictions, exercise of the Over-Allotment Option and the use of proceeds from the Offering.

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, the delay or failure to receive regulatory approvals, 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.