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**For Immediate Release**

**July 28, 2023**

## **AGRICANN ANNOUNCES DEFINITIVE AGREEMENT TO ACQUIRE NEWLINE VENTURES AND PRIVATE PLACEMENT**

**Vancouver, BC, July 28, 2023 – AgriCann Solutions Corp.** (the "**Company**" or "**AgriCann**"), is pleased to announce it has entered into a definitive Share Exchange Agreement ("**SEA**") with Newline Ventures Inc. ("**Newline**"). This follows the non-binding letter of intent dated February 17, 2023, and unanimous approval by votes cast at AgriCann's April 17, 2023 AGM for the acquisition of Newline, creation of a new control person, and establishment of a Long-Term Incentive Plan ("**LTIP Awards**") (refer to the Company's Information Circular dated March 13, 2023 filed under the Company's profile on SEDAR+ available at [www.sedarplus.ca](http://www.sedarplus.ca)). The closing of the SEA, expected on or before October 12, 2023, is expected to complete AgriCann's corporate expansion into an operational facility with superior licensing, logistics and expansion capabilities.

### **SEA Terms**

In consideration for the acquisition of 100% of the shares of Newline, AgriCann will pay to the Newline shareholders approximately \$3,947,000 (the "**Purchase Price**"), which shall be satisfied through the payment of \$165,000 in certified funds and the issuance of 37,825,182 AgriCann common shares from treasury at a deemed price of \$0.10 per AgriCann Common Share (the "**Consideration Shares**"). The Consideration Shares, as well as a finder's fee of 794,329 shares to an arms-length consultant, shall be deposited with an escrow agent on the closing date pursuant to the terms of escrow and pooling agreements. Current Newline shareholders have committed 18,240,012 Consideration Shares to the establishment of AgriCann's LTIP Awards program, in which key members of AgriCann's current executive team will participate, subject to the terms of the escrow and pooling agreements, that include certain performance criteria.

Closing of the SEA is subject to customary conditions. A copy of the SEA will be made available under the Company's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

### **Rationale**

The acquisition of Newline is expected to expand the Company's strategic initiatives and business model with a focus on launching innovative flower products through agreements with cannabis cultivators throughout Canada. Through this initiative the Company expects to provide exceptional brands of premium cannabis product, highly desirable to discerning consumers, by ensuring a constant secured supply, thereby leveraging the Company's partners' existing infrastructure. This provides a path to scalability, increased market share, and lower operating costs within each of the partner's facilities. Some of the key benefits with the proposed acquisition are expected to include the following:

- ✓ Newline is approved by Health Canada with a medical sales, micro processing, and micro cultivation license. This license enhances the flexibility in AgriCann's operations, enabling

AgriCann to offer comprehensive services from seed-to-sale by driving additional value to our existing and prospective customer base, and allowing AgriCann to penetrate additional markets through greater control of the cannabis supply chain;

- ✓ Given the Newline facility is built to the specifications of a Standard Cultivator and Standard Processor, the immediate intention is to amend NewLine's license stack from Micro to Standard. This crucial upgrade will eliminate any production capacity limitations as per Health Canada regulations, enabling the Company to effortlessly accommodate significant volumes and further strengthen our operational capabilities;
- ✓ Facilitates AgriCann's ability to take advantage of British Columbia's recently passed legislation permitting direct delivery of products to retail dispensaries through the establishment of a wholesale platform that connects craft cultivators with our network of retailers, thereby managing the supply chain to facilitate distribution of consumer-packaged cannabis;
- ✓ Immediately enables AgriCann to sell fresh and dried cannabis to (a) registered patients and (b) provincial/territorial authorised distributors/retailers;
- ✓ Immediately adds the ability to process flower sourced from other Licenced Producers and the processing of dried flower and/or pre-roll product SKU's, allowing AgriCann to bring to market owned premium brands and to more fully collaborate with partners; and
- ✓ The building layout of the Newline facility is conducive to scalability and growth, providing an ideal platform upon which to build out AgriCann's expansion plans, giving AgriCann the operational capability to increase production capacity as needed.

### **Private Placement**

The Company announces a non-brokered private placement of up to 7,500,000 common shares at a price of \$0.10 per common share for gross proceeds of up to \$750,000 (the "**Offering**"). Net proceeds from the Offering will be used by the Company for capacity expansion and general working capital. The common shares will be made available by way of prospectus exemptions in Canada, exempt from any prospectus, registration or other similar requirements. Closing of the Offering is subject to a number of conditions, including receipt of all necessary corporate and regulatory approvals. All securities issued in connection with the Offering will be subject to a statutory hold period of four months plus a day from the date of issuance in accordance with applicable securities legislation, or as required by a stock exchange as part of any listing application.

It is anticipated that insiders of the Company may acquire securities under the Offering. Such participation would be considered to be a "related party transaction" as defined under Multilateral Instrument 61-101 ("**MI 61-101**"). Such participation is expected to be exempt from the formal valuation and minority shareholder approval requirements of MI 61-101.

### **About AgriCann**

AgriCann owns and operates wholly owned subsidiary Craft Nurseries Canada Ltd., a full-service Health Canada licensed cannabis nursery located in Lake Country, British Columbia. The Company is positioned to complete the acquisition of Newline Ventures Inc. in nearby Vernon, British Columbia, a Health Canada licensed facility designed to accommodate AgriCann's current and future expansion plans.

AgriCann's mission is to build and strengthen the cannabis industry by supporting craft cultivators through global strategic alliances, creating demand with premium genetics and strong consumer branding, and facilitating the distribution of consumer-packaged goods through a scalable online wholesale platform and logistics model. We differentiate ourselves by providing our cultivating partners with access to Canada's best genetics and starting materials, cultivation expertise to ensure quality control of finished flower, marketing resources that drive brand awareness and customer loyalty, and a trusted partner that supports effective and strategic competition in today's market. The model we are introducing provides a logistics solution by helping micro-batch craft cultivators build a viable business, getting their products to market more efficiently, and securing a steady supply of premium craft cannabis products to domestic and global markets.

**ON BEHALF OF AGRICANN SOLUTIONS CORP.**

(signed) "Rob van Santen"

Executive Chairman

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**Cautionary Note Regarding Forward-Looking Statements**

Some of the statements contained in this press release are forward-looking statements and information within the meaning of applicable securities laws. Forward-looking statements and information can be identified by the use of words such as "expects" or "does not expect", "intends", "is expected", "potential", "suggests" or variations of such words or phrases, or statements that certain actions, events or results "may", "could", "should", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements and information are not historical facts and are subject to a number of risks and uncertainties beyond the Company's control. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this news release. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements, except as may be required by applicable law.

**AgriCann Solutions Corp.**

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