

**PRESS RELEASE
FOR IMMEDIATE RELEASE**



Cannara Biotech Reports First Quarter Results

Montreal, Québec – January 29, 2019 – Cannara Biotech Inc. (“Cannara” or the “Company”) (CSE: LOVE), is building a vertically integrated Cannabis company focused on cannabis derivative products, today announced its financial results for the three-month period ended November 30, 2018.

Q1 2019 HIGHLIGHTS

- Subsequent to quarter end, began trading on the CSE
- Cash and cash equivalents of \$43.5 million at end of Q1
- Revenue from short-term leases of \$518,443
- Dual share structure dissolved upon public listing resulting in a single class of common shares

“On January 14th, Cannara became a publicly traded cannabis company, marking a critical milestone for our company,” said Zohar Krivorot, President and CEO of Cannara. “As this release represents our first disclosure as a public company, we want to assure the investment community we understand that being public demands transparency, which is entirely consistent with our values of respect and integrity. As we grow, we will stay true to our aim of building a premier cannabis company, we will maintain these core values.”

Construction of the Company’s Farnham, Quebec facility continues to be a top priority for Cannara with steady progress made throughout the quarter. Recently, the Company expanded the scope of Phase One to include a slightly larger growth area and additional processing capabilities, including some R&D space and equipment. With an estimated annual capacity of 15,000 kg of cannabis to be completed in the first half of 2019, the Farnham facility represents a key plank in the Company’s strategy to attract and grow via joint ventures with industry leaders.

“With a comprehensive brand strategy, our large one-of-kind facility, strong balance sheet and an elite senior management team, the fundamentals that will define Cannara are rapidly taking shape,” continued Mr. Krivorot. “Our expanding profile is accelerating our business development initiatives, positioning 2019 to be eventful and transformative year for us as we prepare for the upcoming legalization of beverages and other derivative cannabis products.”

“We are in the enviable position of having our Phase One construction and capacity plans fully funded, allowing us to pursue our strategic growth with confidence,” said Lennie Ryer, CFO of Cannara. “No doubt we are in the early stages of our growth curve, however, with \$55 million raised in 2018, including our recently closed oversubscribed go-public round, our progress is speaking to our potential.”

About Cannara Biotech Inc.

Cannara Biotech is building the largest indoor cannabis cultivation facility in Quebec, a modern and secure 625,000 square foot facility located in Farnham, less than 45 minutes from downtown Montreal. Leveraging Quebec's low electricity costs, Cannara’s facility will produce high-grade indoor cannabis and

derivative products for the Canadian and international markets. Working with partners from various industries, Cannara will generate licensing revenues, rental revenues and revenue streams from joint-venture arrangements leveraging this highly valuable property. For more information, visit our website: www.cannara.ca

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ON BEHALF OF THE BOARD OF DIRECTORS

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