

Cannara enters LOI with SQDC for Entire First Year Production

- Operations Accelerating with 100th Quebec Employee Hired -

MONTREAL, July 6, 2020 /CNW/ - Cannara Biotech Inc. ("Cannara" or the "Company") (CSE: LOVE) (OTCQB: LOVFF) (FRA: 8CB) announced today it has finalized a non-binding Letter of Intent (LOI) with the Société québécoise du cannabis (the "SQDC"). With this LOI, Cannara will dedicate its entire first year production of premium quality cannabis to its home market of Québec. The Company also announced the hiring of its 100th employee at its facility in Farnham, Québec with more hiring forthcoming.



"Our approach has always been **Made in Québec, For Québec,**" said Zohar Krivorot, CEO of Cannara. "With our library of top genetics and purpose-built indoor facility, our now 100-person Farnham team continues to excel as we ramp up our activities. It is our focus to become the leading, go-to cannabis producer for consumers in Quebec."

The LOI with the SQDC is expected to convert to a comprehensive purchase order once Cannara is granted its Sales License Amendment from Health Canada. Certificates of Analysis (CoA) from its first two harvests have already been submitted for approval. The quantities outlined in the LOI would result in all of Cannara's initial 15,000 kg capacity being allocated to its home province of Québec with supply beginning in the second half of this year.

Cannara's state-of-the-art facility is strategically located just 45 minutes outside of Montreal in the city of Farnham where the company has direct access to the vibrant local economy and workforce.

About Cannara Biotech Inc.

Cannara Biotech Inc. (CSE: LOVE) (OTCQB: LOVFF) (FRA: 8CB) has built one of the largest indoor cannabis cultivation facilities (625,000 square feet) in Canada and the largest in Quebec. Leveraging Quebec's low electricity costs, Cannara Biotech Inc.'s facility will produce premium-grade indoor cannabis and cannabis-derivative products for the Quebec and Canadian markets.

Website: www.cannara.ca

The CSE nor its Regulation Services Provider accepts responsibility for the adequacy or accuracy of this release.

Cautionary Statement Regarding "Forward-Looking" Information

This information release contains certain forward-looking information. Such information involves known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from those implied by statements herein, and therefore these statements should not be read as guarantees of future performance or results. All forward-looking statements are based on the Company's current beliefs as well as assumptions made by and information currently available to it as well as other factors. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this

press release. Due to risks and uncertainties, including the risks and uncertainties identified by the Company in its public securities filings, actual events may differ materially from current expectations. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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