

Cannara Biotech Secures \$6 Million Mortgage Financing Facility with Canadian Imperial Bank of Commerce

VANCOUVER, Oct. 10, 2019 /PRNewswire/ - Cannara Biotech Inc. ("Cannara Biotech" or the "Company") (CSE: LOVE) (OTCQB: LOVFF) (FRA: 8CB), an emerging vertically integrated cannabis company focused on indoor cultivation and sale of premium cannabis and cannabis-infused products, announced it has secured a first mortgage against its Farnham Facility in the value of \$6 million with the Canadian Imperial Bank of Commerce. These funds will reduce the existing vendor take-back mortgage, thereby significantly reducing debt service costs.

The 625,000 square foot Farnham facility is situated forty-five minutes from Montreal on 27 acres, with 32-foot height ceilings. Recently, construction was completed on Phase One consisting of 170,000 square feet, of which 110,000 is dedicated to indoor cultivation with a capacity of 20,000 kg of premium dried cannabis once the cultivation license is granted. The remaining finished space is designed to accommodate various processing stages such as manufacturing, extraction and packaging. The building is currently valued at more than \$40 million.

"Having constructed a state-of-the-art production and processing facility in an outstanding location, and recently advanced our commercial readiness by filing our Health Canada evidence package, this leading Canadian institution was more than comfortable to be our financial partner," said Zohar Krivorot, President and CEO of Cannara. "Once Cannara's cultivation and sales licenses are granted we'll look to augment this mortgage to further reduce our debt service costs."

About Cannara Biotech

Cannara Biotech (CSE: LOVE) (OTCQB: LOVFF) (FRA: 8CB) is building 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's facility will produce premium-grade indoor cannabis and cannabis-infused products for the Canadian and international markets.

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

Cautionary Statement Regarding "Forward-Looking" Information

This 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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