



Dixie Brands confirms plan to introduce full line of cannabis-infused products in Canada

DENVER, December 21, 2018 – Dixie Brands Inc. (Dixie or the Company) (CSE: DIXI.U) today confirmed its plans to introduce a full line of cannabis-infused products to Canadian consumers. The Company is reviewing the proposed regulations for edible cannabis, cannabis extracts, and cannabis topicals introduced by Health Canada on December 20, and plans to participate in the consultation process.

Based on the breadth of products it has already introduced into the U.S. marketplace, as well as its partnership with Auxly Cannabis Group (“Auxly”) in Canada, Dixie anticipates being ready to launch a fully-compliant selection of products starting when their sale becomes legal in Canada by October 2019. Dixie expects these products to include THC-infused beverages, THC/CBD topical products, CBD-infused supplements as well as other delivery formats, subject to final Health Canada approval.

“The publication of Health Canada’s proposed regulations is an important step towards clarifying the types of products we will be able to offer in Canada. Dixie has always taken consumer safety and product quality very seriously, and we have established an excellent track record of working within the unique regulatory frameworks of four different U.S. states,” said Chuck Smith, President and CEO, Dixie Brands Inc. “We believe our nine years of formulation, manufacturing, packaging and regulatory expertise gives us a tremendous first-mover advantage over virtually all other participants in this market.”

Dixie has one of the broadest portfolios of cannabis-infused products in the United States, as well as one of the most recognized brands. Dixie has significant experience in high scale commercial manufacturing in multiple U.S. states. In the beverage space, Dixie has already developed sophisticated formulation and emulsification technology that many companies are just now trying to develop.

Auxly has secured exclusive rights to manufacture and distribute Dixie’s products in Canada through a licensing agreement first announced on May 14, 2018. Auxly’s Dosecann subsidiary has a licensed and approved manufacturing facility in Charlottetown, PEI which will serve as the base for development, testing and production of the approved Dixie products. Auxly’s extensive Canada-wide distribution channels will be instrumental to the anticipated national roll-out.

About Dixie Brands, Inc.

Dixie Brands Inc., which has been formulating award-winning THC and CBD-infused products since 2009, is expecting to double its manufacturing and distribution capabilities in 2019 in the U.S. as well as expand internationally, including Canada. Dixie leads the global industry in the development, packaging design, product innovation and quality control for the commercial production of cannabis infused products. While the Company started with a single flagship product, the Dixie Elixir (a THC-infused soda), it is now one of the industry’s most recognized consumer brands, expanding to over 100 products across more than 15 different product categories representing the industry’s finest edibles, tinctures, topicals and connoisseur grade extractions, as well as world-class CBD-infused wellness products and pet dietary supplements. Dixie’s executive team has been instrumental in the formation of the marijuana industry for recreational and medicinal use, serving as founding members on several national regulatory and business-oriented industry organizations. To find out more about Dixie's innovative products, or about how Dixie is building the future of cannabis, visit www.dixiebrands.com.

CAUTION REGARDING FORWARD-LOOKING INFORMATION

Certain statements in this news release may constitute "forward-looking" statements which involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Dixie and its subsidiary entities or the industry in which they operate, to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. When used in this news release, such statements use words such as "may", "will", "expect", "believe", "plan" and other similar terminology. These statements reflect management's current expectations regarding future events and operating performance and speak only as of the date of this news release. These forward-looking statements involve a number of risks and uncertainties.

These risk factors are discussed in detail under the heading "Risk Factors" in the listing statement filed on SEDAR. New risk factors may arise from time to time and it is not possible for management of the Company to predict all of those risk factors or the extent to which any factor or combination of factors may cause actual results, performance or achievements of the Company to be materially different from those contained in forward-looking statements. Given these risks and uncertainties, investors should not place undue reliance on forward-looking statements as a prediction of actual results. Although the forward-looking statements contained in this news release are based upon what management believes to be reasonable assumptions, Dixie cannot assure investors that actual results will be consistent with these forward-looking statements. These forward-looking statements are made as of December 10, 2018. Dixie will update these assumptions at each reporting period and will adjust its forward-looking information as necessary.

The CSE has neither approved nor disapproved the contents of this news release.

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