



AYURCANN

AYURCANN HOLDINGS CORP. PROVIDES CORPORATE UPDATE

Toronto, Ontario, October 17, 2022 - Ayurcann Holdings Corp. (CSE: AYUR, OTCQB: CDCLF, FSE: 3ZQ0) (“Ayurcann” or the “Company”), a leading Canadian cannabis extraction company specializing in the processing and co-manufacturing of pharma grade cannabis and hemp to produce various derivative cannabis 2.0 and 3.0 products in the medical and recreational market, is pleased to announce that it has fulfilled its first shipment of pre-rolled products to the Ontario Cannabis Store (the **“OCS Shipment”**). The OCS Shipment marks the entry of Ayurcann into the Canadian cannabis flower segment.

The Company has also been working with provincial boards across the country, overseeing retail sales and distributions of cannabis in each Canadian province and territory, and has been rewarded with new stock-keeping units (**“SKUs”**). New SKUs will provide high potency flower, distillate vapes, concentrates and tinctures.

Early Warning Disclosure

On October 17, 2022, the Company settled debt owing to 2388765 Ontario Inc. (**“238”**) and IIPAC Inc. (**“IIPAC”**) in the amount of \$60,000 (the **“Transaction”**). As part of the Transaction, 238 and IIPAC each converted \$30,000 of their respective debt owed by the Company into 475,435 common shares in the capital of the Company (**“Common Shares”**), at a deemed price of \$0.0631 per Common Share. The Common Shares issued in connection with the Transaction are subject to a statutory hold period of four months and a day from the date of issuance.

Prior to the closing of the Transaction, 238, together with its joint actor (Igal Sudman), beneficially owned an aggregate of 26,419,989 Common Shares (of which 12,487,887 Common Shares were owned by 238 directly and 13,932,102 Common Shares were owned by its joint actor), representing approximately 17.12% of the total issued and outstanding Common Shares on a non-diluted and partially diluted basis. IIPAC, together with its joint actor (Roman Buzaker), beneficially owned an aggregate of 26,127,707 Common Shares (of which 12,487,887 Common Shares were owned directly by IIPAC and 13,639,820 Common Shares were owned by its joint actor), representing approximately 16.93% of the total issued and outstanding Common Shares on a non-diluted basis and partially diluted basis.

Following the completion of the Transaction, 238, together with its joint actor, now has ownership and control over an aggregate of 26,895,424 Common Shares (of which 12,963,322 Common Shares are owned directly by 238 and 13,932,102 Common Shares are owned by its joint actor), representing approximately 17.43% of the total issued and outstanding Common Shares on a non-diluted basis and partially diluted basis. IIPAC, together with its joint actor, now has ownership and control over an aggregate of 26,603,142 Common Shares (of which 12,963,322 Common Shares are owned directly by IIPAC and 13,639,820 Common Shares are owned by its joint actor), representing approximately 17.24% of the total issued and outstanding Common Shares on a non-diluted basis and partially diluted basis.

Mr. Sudman and Mr. Buzaker each most recently filed an early warning report pursuant to National Instrument 62-104 – *Take-Over Bids and Issuer Bids* on March 26, 2021 (collectively, the **“Prior EWRs”**). Since then, the Company has issued Common Shares in a variety of transactions, which has resulted in each of 238, together with its joint actor, and IIPAC, together with its joint actor, holdings decreasing by

more than 2%. As at the date of the Prior EWRs, 238 and IIPAC directly, or indirectly, or exercised control or direction over, respectively, 23,816,919 Common Shares and 23,144,624 Common Shares, representing, respectively, 23.59% and 22.92% of the issued and outstanding Common Shares.

The Common Shares acquired pursuant to the Transaction were acquired by each of 238 and IIPAC for investment purposes, and depending on market and other conditions, each of 238 and IIPAC, may from time to time in the future increase or decrease their respective ownership, control or direction over securities of the Company through market transactions, private agreements, or otherwise.

An early warning report pursuant to the requirements of applicable securities laws will be issued by each of 238 and IIPAC, separately, and will be posted to SEDAR at www.sedar.com and available on request at the number and addresses below. For further information, including a copy of the early warning reports required under applicable Canadian securities laws to be filed by each of 238 and IIPAC as a result of the Transaction, please contact Igal Sudman, Chief Executive Officer, at 905-492-3322 or Roman Buzaker, Chief Financial Officer, at 905-492-3322. For the purposes of this notice, the address of 238 and IIPAC is 1080 Brock Road, Unit 6, Pickering, Ontario L1W 3H3.

The head office of the Company is located at 1080 Brock Road, Unit 6, Pickering, ON L1W 3H3.

About Ayurcann Holdings Corp.

Ayurcann is a leading post-harvest solution provider focusing on providing and creating custom processes and pharma-grade products for the adult use and medical cannabis industry in Canada. Ayurcann is striving to become a partner of choice for leading Canadian and international cannabis brands by providing best-in-class, proprietary services, including extraction, formulation, product development and custom manufacturing.

For additional information, please contact:

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Investor Relations:

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Neither the CSE nor its Regulation Services Provider have reviewed or accept responsibility for the adequacy or accuracy of this news release.

This press release contains "forward-looking statements" within the meaning of applicable securities laws. All statements contained herein that are not clearly historical in nature may constitute forward-looking statements. Generally, such forward-looking information or forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "strategy", "expects" or "does not expect", "intends", "continues", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or may contain statements that certain actions, events or results "will be taken", "will launch" or "will be launching", "will include", "will allow", "will be made" "will continue", "will occur" or "will be achieved". The forward-looking information and forward-looking statements contained herein include, but are not limited to, statements regarding: the Company offering new SKUs of high potency flower, distillate vapes, concentrates and tinctures; and the ability of the Company to become the partner of choice for leading Canadian and international cannabis brands by providing best-in-class, proprietary services, including extraction, formulation, product development and custom manufacturing.

Forward-looking information in this news release are based on certain assumptions and expected future events, namely: the Company will expand and be able to maintain production capacity; continued approval of the Company's activities by the relevant governmental and/or regulatory authorities; the continued growth of the Company; the Company's successful implementation of its strategy to expand market share in cannabis industry; the Company's

continuing ability to meet the requirements necessary to remain listed on the CSE and alternative exchanges; the Company selling its products pursuant to applicable laws and regulations; the Company successfully distributing the new SKUs; the Company growing its exposure, consumer and retail partnerships and market share throughout the country; Ayurcann maintaining a continuous path of growth; the Company maintaining and forging relationships with retail distributors and becoming the partner of choice for leading Canadian and international cannabis brands; and the Company offering best-in-class, proprietary service.

These statements involve known and unknown risks, uncertainties and other factors, which may cause actual results, performance or achievements to differ materially from those expressed or implied by such statements, including but not limited to: the Company's inability to expand and/or maintain production capacity; the potential inability of the Company to continue as a going concern; the risks associated with the cannabis industry in general; increased competition in the cannabis extraction market; the potential future unviability of the cannabis market; risks associated with potential governmental and/or regulatory action with respect to the cannabis industry; the Company's inability to obtain continued regulatory approvals; the Company's inability to meet the requirements necessary to remain listed on the CSE and alternative exchanges; the Company's inability to sell its cannabis flower products pursuant to applicable laws and regulations; the Company's inability to grow and increase sales for Ayurcann; the Company's inability to maintain a continuous path of growth; the Company's inability to secure funds for the integration, development and distribution of its new and existing SKUs; and the Company's inability to secure additional partnerships and become the partner of choice for leading Canadian and international cannabis brands.

Readers are cautioned that the foregoing list is not exhaustive. Readers are further cautioned not to place undue reliance on forward-looking statements, as there can be no assurance that the plans, intentions, or expectations upon which they are placed will occur. Such information, although considered reasonable by management at the time of preparation, may prove to be incorrect and actual results may differ materially from those anticipated.

Forward-looking statements contained in this news release are expressly qualified by this cautionary statement and reflect the Company's expectations as of the date hereof and are subject to change thereafter. The Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, estimates or opinions, future events, or results or otherwise or to explain any material difference between subsequent actual events and such forward-looking information, except as required by applicable law.