



Osoyoos Enters into Equipment Lease and Joint-Venture Agreement; Provides Corporate Update

TORONTO, ONTARIO, April 21, 2020 – Osoyoos Cannabis Inc. (CSE: OSO) (“**Osoyoos**” or the “**Company**”) announced today that the Company has entered into an equipment lease (the “**Equipment Lease**”) and a joint-venture agreement (the “**JV Agreement**”) with 2623942 Ontario Limited (the “**Licensed Producer**”). Furthermore, the Company is also pleased to provide a corporate update regarding its next annual and special meeting of shareholders and results of management’s operational cost-cutting measures.

Equipment Lease & JV Agreement

The Licensed Producer is a private, vertically-integrated health and wellness company based in Barrie, Ontario. The company’s facility includes in excess of 3,000 acres of outdoor hemp-based farmland and a licensed production facility under the *Cannabis Act (Canada)*. The Licensed Producer is focused on utilizing its proprietary strains of industrial hemp to develop a wide range of innovative CBD-based products and will also offer contract tolling extraction services to other third-party businesses.

Pursuant to the Equipment Lease, Osoyoos has agreed to lease one of its Vitalis Q-180 Series extraction systems to the Licensed Producer to process their proprietary-grown biomass for a term of four years. Osoyoos will receive up to \$100,000 in cash upfront over the first 60 days of the lease and will receive monthly lease payments of approximately \$17,750 (plus applicable taxes) for the remainder of the term. Provided that all payments have been made under the Equipment Lease, the Licensed Producer may at its option buyout the equipment at the end of the term for \$1.

Osoyoos and the Licensed Producer have also entered into a five-year JV Agreement to offer third-party contract tolling extraction and processing services, effective April 17, 2020. Under the JV Agreement, Osoyoos has agreed to provide use of its other Vitalis Q-180 Series extraction system to the joint-venture in exchange for 50% of the net profits derived from such tolling services, which is defined as revenues minus direct costs, which are to be mutually agreed to on a quarterly basis. The parties have also agreed to form a management committee to oversee the joint-venture’s business plan, accounting, day-to-day operations and terms of processing contracts. Furthermore, Osoyoos is guaranteed a monthly minimum rental payment and total minimum cumulative payments of \$1.5 million under the JV Agreement.

Mr. Graham Simmonds, Chief Executive Officer of Osoyoos, commented, “We are very pleased to have found a licensed partner with a similar vision to Osoyoos that will allow us to begin providing high quality processing and extraction services as originally planned by the Company.” He continued, “Bringing these services within a 45-minute drive of Canada’s largest population centre in the Greater Toronto Area is also a major opportunity for the Company. We will be working with our licensed partner over the coming weeks to develop the marketing and launch plan for the joint-venture and production facility.”

Corporate Update

Osoyoos has scheduled its next annual and special meeting of shareholders to be held on July 20, 2020. The Company plans to file its notice of meeting and management information circular on its SEDAR profile on June 19, 2020 outlining such items that shareholders will be voting on at the meeting. The Company understands a number of other companies have delayed their annual meeting dates due to the continuing concerns related to COVID-19 and to mitigate potential risks to the health and safety of shareholders and employees, however, at this time, the Company will work to maintain its current meeting schedule. The Company will continue to evaluate the situation

and will follow the guidelines and advice of Canada's Public Health Agency as well as regulations from provincial and territorial governments with respect of COVID-19.

Effective March 31, 2020, Mr. Tyler Devenyi ceased to hold office as Chief Operating Officer of the Company. Mr. Devenyi continues to serve as a director of Osoyoos.

Furthermore, the Company is pleased to announce that over the past sixty days' management has been focused on implementing operational cost-cutting measures that have resulted in a reduction of over 25% of its recurring monthly operating costs and expenses. Osoyoos has also entered into a listing agreement to market its warehouse facility in British Columbia for sublease and aims to reduce this liability in the near future.

About Osoyoos Cannabis Inc.

Osoyoos Cannabis Inc. is focused on building a leading cannabinoid processing and extraction platform to provide contract tolling extraction services, sale of bulk cannabinoid-oil and sale of other proprietary Osoyoos Cannabis-branded and white labeled products. The Company is also seeking out other opportunities within the cannabis industry both in Canada and internationally.

For further information, please contact:

Gerry Goldberg

Executive Chairman

(416) 460-3000

ggoldberg@osoyooscannabis.com

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