

# **After Successful Inaugural Harvest in 2020, Christina Lake Cannabis Announces Plans to Expand Outdoor Production Using Natural Methods**

**VANCOUVER, British Columbia, December 11, 2020 – Christina Lake Cannabis Corp. (the “Company” or “CLC” or “Christina Lake Cannabis”) (CSE:CLC) (FRANKFURT: A2QEGJ)** is pleased to announce that after a successful inaugural harvest from the 2020 growing season which exceeded production targets by over 44%, it is planning to expand its grow operations in 2021 to capitalize on the several unique advantages that can be had by growing cannabis outdoors in Christina Lake, BC. The contemplated expansion includes the utilization of up to approximately 85 acres of arable land in addition to the 18 acres on which CLC’s 2020 harvest was grown, as well as timing strategies that could allow certain strains grown by the Company to be “turned over” twice in a growing season. The Company’s production methodology, which is built around using natural methods such as growing with sunlight and abstaining from the use of pesticides or fungicides, will be kept the same in any potential expansion of CLC’s growing activities under the leadership of its master growers who recognize the importance of growing cannabis naturally.

With approximately CAD \$20 million raised to date, CLC has realized favourable financial outcomes in its first operating year on account of the exceptionally low fixed costs of growing cannabis outdoors. In comparison to indoor and greenhouse cultivation of cannabis, which represent the vast majority of domestic cannabis production, outdoor growers of cannabis such as CLC benefit from limited expenses and maximum utilization of sunlight which is proven to contribute to superior growth results. As a result, with its current treasury CLC believes it is well-positioned to carry out an expansion for the 2021 growing season which could further strengthen the Company’s market position.

In 2018, the Company began to build out its fully integrated site for growing, drying, processing, and extracting outdoor-grown cannabis. In 2020, the site became fully operational with a staff of more than 30 full-time employees and seasonal personnel. With over 130 acres of land owned by CLC in the Christina Lake region of British Columbia, the Company used only 18 acres to grow its first crop which yielded 32,500 kg / 71,650 lb of dried cannabis. The Company benefits from several competitive advantages to include low overhead costs from growing outdoors, an excellent climate in which to grow cannabis using natural sunlight, and seamless integration of agriculture, extraction, and sales operations. To preserve the integrity of CLC’s crops, natural methods of pest control (*e.g.*, beetles in the coccinellidae family) are utilized in place of more common methods such as fungicides or pesticides.



*Elevated view of the Company's fully integrated grow site in Christina Lake, British Columbia*

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Greater detail regarding the Company's plans to expand its production activities in 2021 and beyond are provided below.

**Use of Additional Land:** Between its principal 32-acre plot of land and an adjoining 99-acre plot of land, the Company owns more than 100 acres of arable land on which cannabis can be grown with optimal properties for cannabis cultivation. CLC also has an option to purchase an additional 200 acres nearby. Based on usage of just 18 acres for the Company's 2020 growing season, the use of additional land could increase CLC's agricultural footprint by nearly sixfold.

**Grow Timing Strategy:** Based on the Company's observations of the performance of certain strains during the 2020 growing season, CLC's master growers have determined that plants consisting of these strains could potentially be "turned over" twice in a given season by planting slightly earlier and harvesting slightly later. The Company intends to integrate this strategy as part of its growing activities in 2021.

With an ample allotment of additional land on which cannabis can be grown as well as insights from the performance of CLC's crops in the 2020 growing season that can allow for effectively doubled production of certain strains in future years, the Company believes it possesses several unparalleled advantages in the cannabis industry. Being fully funded and debt-free, CLC has the ability to make capital investments towards its expansion initiatives without the need to incur debt or raise additional funds through equity financing.

Additionally, the Company is pleased to announce that as of this week its common shares are trading on the Frankfurt Stock Exchange (Börse Frankfurt) under the ticker symbol **A2QEGJ**, complementing its listing on the Canadian Securities Exchange under the ticker symbol **CLC**.

Joel Dumaresq, CEO and Director of CLC commented, “I am proud of the results we had in our first year, and it is inspiring to discover just how significantly we could scale our operations upward. Aside from the desirable quality of cannabis grown outdoors, the low overhead costs allow us to operate very efficiently and expand with only a negligible increase in fixed expenses. There were many learnings from the 2020 growing season that we intend to leverage in subsequent years to further increase our productivity, and we are excited to put those learnings into action.”

“Although our next growing season is a matter of months away from now, we are already hard at work creating our playbook for scaling upward”, said Nicco Dehaan, Chief Operating Officer of CLC. “With an abundance of land on which we can grow additional cannabis plants, we intend to utilize some of this additional capacity to expand our pipeline for 2021, which could raise our output considerably. Further, a major factor in the quality of our product is the fact that we do not use pesticides or fungicides of any kind. I believe we have aligned many favourable elements in terms of the crops we grow and how efficiently we grow them, which could position us well to gain additional market share as we enter our second year of operation.”

### **About Christina Lake Cannabis Corp.**

Christina Lake Cannabis Corp. is a licensed producer of cannabis under the Cannabis Act. It has secured a standard cultivation licence and corresponding processing/sales amendment from Health Canada (March 2020 and August 2020, respectively) as well as a research and development licence (early 2020). CLC’s facility consists of a 32-acre property, which includes over 950,000 square feet of outdoor grow space, offices, propagation and drying rooms, research facilities, and a facility dedicated to processing and extraction. CLC also owns a 99-acre plot of land adjoining its principal 32-acre site, which enables the Company to grow at a much larger scale. CLC cultivates cannabis using strains specifically developed for outdoor cultivation and in its inaugural harvest year produced 32,500 kg (71,650 lb) from its existing facility before developing an adjacent 99 acre expansion property, which will ultimately bring its annual cultivation footprint to over 4.35 million square feet or over 88,000 kg (194,007 lb) of low-cost, high-quality, sun-grown cannabis.

### **On behalf of Christina Lake Cannabis Corp.:**

*“Joel Dumaresq”*

Joel Dumaresq, CEO and Director

For more information about CLC, please visit: [www.christinalakecannabis.com](http://www.christinalakecannabis.com)

Jamie Frawley  
Investor Relations  
[jamie@clcannabis.com](mailto:jamie@clcannabis.com)  
416-268-9432

Robyn Rabinovich  
Media Inquiries  
[robyn.rabinovich@hkstrategies.ca](mailto:robyn.rabinovich@hkstrategies.ca)  
416-413-4775

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#### **Statement Regarding Third-Party Investor Relations Firms**

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