

CLC Producing Winterized Cannabis Oil in Commercial Quantities, Characterized by a Unique Terpene Profile with Potential Medicinal Applications

VANCOUVER, British Columbia, JANUARY 5, 2021 Christina Lake Cannabis Corp. (the “Company” or “CLC” or “Christina Lake Cannabis”) (CSE:CLC) (FRANKFURT: CLB) is pleased to announce that it has commenced commercial production of winterized cannabis oil as well as full-spectrum winterized cannabis oil, using crude oil extracted in-house from biomass grown by the Company during its inaugural grow season in 2020 in which 32,500 kg / 71,650 lb of cannabis was cultivated outdoors. The Company’s winterized cannabis oils contain a unique terpene profile which has potential applications in medicinal products. CLC currently continues its dealings with potential purchasers of its initial supply of cannabis oils as announced in its press release dated December 23, 2020. Samples of the Company’s cannabis oils are to be shared with potential purchasers in the coming weeks.

Terpenes play a significant role in the marketability of cannabis goods, largely due to their role in a product’s aromatics as well as their ability to enhance the effects of cannabidiol (“CBD”) and/or tetrahydrocannabinol (“THC”) creating what is referred to as the “*Entourage Effect*”. Commonly, terpenes are also used as a diluent to reduce the viscosity of certain cannabis oils (as shown in the second image below). The terpene profiles that are unique to CLC’s proprietary strains of cannabis are considered to be desirable in the medicinal cannabis market.



Cannabis oil during the extraction process at the Company’s facility in the Christina Lake region of British Columbia

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Close-up of cannabis extract being processed by the Company, demonstrating its viscosity

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The non-invasive nature of cannabis extraction done using CO₂ power also tends to allow for greater terpene yields. Based on an initial batch of oils extracted using the Company's CO₂-powered Vitalis R-200-H-GMP-SS, the Company has observed an impressive concentration of terpenes. In a report by Deloitte¹, the Canadian market for products made with cannabis extracts was estimated to be worth approximately CAD \$1.6 billion, or nearly 60% of the CAD \$2.7 billion market size of "Cannabis 2.0".

In addition to winterized and full-spectrum winterized cannabis oil, the Company is also producing a supply of cannabis oil with an extra-high THC concentration, which is known as "distillate".

Bhavana Rao, Director of Extraction and Product Development for the Company commented, "Our portfolio of proprietary cannabis strains is engineered to flourish when grown under natural sunlight. In terms of biomass quantity, this has been evidenced by our inaugural harvest yielding

more than double the initially forecasted amount. We are thrilled to be extracting oils and terpenes from strains grown outdoors in the famous Kootenay region. Consumers' tastes become more sophisticated as the cannabis market matures, with many cannabis users' preferences now being based on terpenes or terpene profiles. Large-scale CO2 extraction allows us to meet the growing demand for full-spectrum products in the industry. With CO2 extraction techniques, we have the ability to pre-extract and re-introduce terpenes that are strain specific. With growing demand for cannabis extracts in the global cannabis marketplace, we take great pride in our proprietary methodologies for developing and growing proprietary strains as well as for the extraction of oils for emerging applications in areas such as medical cannabis."

Milan Stefancik, Director of Sales for the Company commented, "There is significant demand for cannabis extracts in Canada, which can primarily be attributed to their versatility in products under 'Cannabis 2.0'. Another attractive element of extracts is their long shelf life, which allows for a very lean supply chain from the extractor to the end consumer. We have been in discussions with potential purchasers of our initial batch of winterized and full-spectrum winterized cannabis oil for a couple of weeks now, and we look forward to bringing our cannabis oil products one step closer to the retail and medicinal markets."

Sources

1 - [Deloitte: Nurturing new growth - Canada gets ready for Cannabis 2.0](#)

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) on its existing facility before developing an adjacent 99-acre expansion property. Such an expansion will ultimately bring CLC's annual cultivation footprint to over 4.35 million square feet, which could enable at least 150,000 kg (330,693 lb) of low-cost, high-quality, sun-grown cannabis to be produced annually by the Company.

On behalf of Christina Lake Cannabis Corp.:

"Joel Dumaresq"

Joel Dumaresq, CEO and Director

For more information about CLC, please visit: www.christinalakecannabis.com

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Statement Regarding Third-Party Investor Relations Firms

Disclosures relating to investor relations firms retained by Christina Lake Cannabis Corp. can be found under the Company's profile on <http://sedar.com>.