

# Christina Lake Cannabis Provides Financial Results for the Third Quarter of its Fiscal 2021 Year

VANCOUVER, British Columbia, NOVEMBER 1, 2021 Christina Lake Cannabis Corp. (the “Company” or “CLC” or “Christina Lake Cannabis”) (CSE: CLC) (OTCQB: CLCFF) (FRANKFURT: CLB) is pleased to provide a summary overview of financial and operational results for its fiscal Q3 2021 (three and nine months ended August 31, 2021). During this period, the Company had its highest sales quarter since inception with repeat orders coming from key industry buyers and producers of consumer products including vape and edible manufacturers. For a comprehensive overview of the Company’s disclosed developments in its fiscal Q3 2021 including the *Management’s Discussion and Analysis* (“MD&A”) dated October 29, 2021, please access the Company’s profile on SEDAR.

All monetary figures in this press release are in Canadian dollars unless specified otherwise.

## Primary Highlights for Christina Lake Cannabis in Q3 of Fiscal 2021 (ended Aug. 31, 2021)

- *Gross Revenue* increased +495% in Q3 2021 to \$1,290,000 compared to \$216,738 in Q2 2021;
- *General and Administrative Expenses* decreased 10.4% in Q3 2021 to \$1,666,031 compared to \$1,858,867 in Q2 2021;
- Total of \$24,808,196 in assets and a net working capital balance (current assets less current liabilities) of \$9,556,801;
- Currently engaged in the processing of its stock of dried cannabis biomass into various extracts including distilled and winterized oils, kief, and additional extracted products for sale to other Licensed Producers;
- Sales in the quarter were primarily derived from distillate and kief as production continued to ramp up for both product lines;
- The gross margin percentage for the three-month period was 59% before fair value adjustment. In the comparative period, the Company was not in a revenue-generating position; and
- On October 26, 2021, the Company successfully completed harvesting its second crop which has already proven to be a higher yield than the inaugural crop with better quality biomass through enhanced harvesting techniques.

Joel Dumaresq, Chief Executive Officer and Director of Christina Lake Cannabis commented, “This was a productive quarter for the Company as we continued our revenue growth with the support of steady demand for our cannabis extracts. The needs of Licensed Producers have become increasingly sophisticated as product offerings under ‘Cannabis 2.0’ are creating greater demand for both medicinal and recreational use cases. Under CLC’s commercial sales leadership, we’ve been able to align a healthy supply of distillate oils and kief with the needs of a diverse base of Licensed Producer accounts across Canada. Now that our 2021 crop has

been completely harvested, our second growing season has proven to have a greater yield than the inaugural crop with a higher quality of biomass that can be attributed to advanced harvesting techniques.”

### Christina Lake Cannabis Fiscal Q3 2021 Financial Summary

Three and nine months period ended,	Notes	Three months ended		Nine months ended	
		August 31, 2021	August 31, 2020	August 31, 2021	August 31, 2020
		\$	\$	\$	\$
<b>Revenue</b>					
Revenue from sale of goods		1,290,722	-	1,569,881	-
Cost of sales		(532,428)	-	(623,933)	-
<b>Gross profit before fair value adjustments</b>		<b>758,294</b>	<b>-</b>	<b>945,948</b>	<b>-</b>
Changes in fair value of inventory sold		(742,593)	-	(918,074)	-
<b>Gross profit from sale of goods</b>		<b>15,701</b>	<b>-</b>	<b>27,874</b>	<b>-</b>
<b>Fair value change on growth of biological asset</b>		<b>5,430,173</b>	<b>3,046,237</b>	<b>5,430,173</b>	<b>3,046,237</b>
<b>General and administrative expenses</b>					
Accretion	8,9,11	188,880	79,129	382,214	134,989
Consulting fees	12	122,133	343,973	328,733	450,367
Communication expense		1,975	-	69,021	-
Corporate development		-	-	365,872	-
Depreciation	4	77,080	7,166	381,028	14,331
Foreign exchange		(4)	-	(451)	-
Interest expense	9	182,066	109,189	452,711	176,902
Insurance		21,478	10,088	62,370	30,422
Management fees	12	36,000	-	108,000	-
Marketing		1,574	-	403,884	-
Nursery expenses		30,156	(73,385)	36,864	65,466
Office and miscellaneous		49,589	50,227	229,784	236,653
Professional fees		240,963	106,941	398,095	222,266
Property taxes		-	-	30,566	25,144
Salaries	12	318,237	145,431	1,037,998	652,711
Share based compensation	12,13	372,531	1,272,522	924,935	1,429,777
Repairs and maintenance		17,475	-	35,579	-
Regulatory fees		5,898	117,193	84,155	155,205
<b>Total general and administrative expenses</b>		<b>(1,666,031)</b>	<b>(2,168,474)</b>	<b>(5,331,358)</b>	<b>(3,594,233)</b>
<b>Other items</b>					
Accounts payable write down		-	-	(38,528)	32,817
Fair value preferred shares	13	-	-	510,521	-
Loss on sale of equipment		-	-	4,900	-
<b>Total other items</b>		<b>-</b>	<b>-</b>	<b>(476,893)</b>	<b>-</b>
<b>Net and comprehensive income (loss) for the period</b>					
		<b>\$ 3,779,843</b>	<b>\$ 877,763</b>	<b>\$ (350,204)</b>	<b>\$ (515,179)</b>

<b>Gain (loss) per share – basic and diluted</b>	<b>\$ 0.03</b>	<b>\$ 0.01</b>	<b>\$ (0.00)</b>	<b>\$ (0.01)</b>
<b>Weighted average number of common shares outstanding</b>	<b>112,607,37</b>	<b>2</b>	<b>81,004,447</b>	<b>105,639,215</b>
			<b>78,071,770</b>	

## Notable Business Updates

### Attaining Key Benchmark of Tetrahydrocannabinol (“THC”) Concentration

In a press release dated [June 29, 2021](#), the Company announced that its distillate oils had attained an average THC concentration of 90.4%, a threshold considered to be desirable in the cannabis industry. With high-concentration distillate oils, Licensed Producers can manufacture a wide variety of goods in categories to include food and beverage, personal care, vaping, and medicinal products.

### Performance of Experimental Cannabis Strains Under Natural Sunlight

In addition to the Company’s seven “proven” cannabis strains comprising the majority of its 2021 crop, more than 90 “experimental” strains have also progressed to the outdoor testing phase and performed exceptionally when grown under natural sunlight. The Company intends to incorporate certain “experimental” strains grown outdoors this year into its strain selection for the 2022 growing season.

## 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](http://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>.