



## **CHRISTINA LAKE CANNABIS CORP. ANNOUNCES REDEMPTION OF CLASS B PREFERRED SHARES**

**Vancouver, British Columbia, March 22, 2022** - (CSE: CLC) Christina Lake Cannabis Corp. (the "Corporation" or "Christina Lake") announces that, further to the press release issued on March 11, 2022, whereby the Corporation announced certain amendments to the terms of its class B preferred shares ("Preferred Shares"), the board of directors of the Corporation has now provided notice to the holders of Preferred Shares (the "Preferred Holders"), for a compulsory redemption of their Preferred Shares, which is intended to be completed on or about March 25, 2022, in accordance with the revised terms of the Preferred Shares (the "Redemption").

In connection with the Redemption, the Preferred Holders, which in aggregate hold 2,000,000 Preferred Shares, will be issued in aggregate: (i) a secured promissory note in the amount of \$2,000,000 which will bear interest at a rate of 8% per annum and mature on October 31, 2024; and (ii) 10,000,000 common shares in the capital of the Corporation (each a "Common Share") at a deemed price of \$0.20 per Common Share (collectively, the "Redemption Price"). Following the Redemption and Payment of the Redemption Price to the Preferred Holders, all of the outstanding Preferred Shares will be cancelled.

2260994 Alberta Ltd., the general partner of Excalibur Technologies L.P., is a company controlled by Mervin Boychuk, will ultimately receive an aggregate of 750,000 Common Shares in connection with the Redemption. Accordingly, the Redemption constituted to that extent a "related party transaction" within the meaning of Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions ("MI 61-101") requiring the Corporation, in the absence of exemptions, to obtain a formal valuation and minority shareholder approval thereof. The Company has relied on the exemptions from the valuation and minority shareholder approval requirements of MI 61-101 contained in sections 5.5(a), 5.5(b) and 5.7(1)(a) of MI 61-101, as the fair market value of the participation in the Redemption by insiders does not exceed 25% of the market capitalization of the Company, as determined in accordance with MI 61-101. The Company did not file a material change report in respect of the related party transaction at least 21 days before the closing of the Redemption, which the Company deems reasonable in the circumstances as the changes to the terms of the Preferred Shares were approved by Preferred Holders on March 11, 2022.

### **ABOUT CHRISTINA LAKE CANNABIS CORP.**

Christina Lake Cannabis is a licensed producer of cannabis under the Cannabis Act. It has secured a standard cultivation licence and corresponding processing amendment from Health Canada (March 2020 and August 2020, respectively) as well as a research and development licence (early 2020). Christina Lake Cannabis' 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. Christina Lake Cannabis also owns a 99-acre plot of land adjoining its principal 32-acre site, which allows for future expansion. Christina Lake Cannabis cultivates cannabis using strains specifically developed for outdoor cultivation and in its second harvest season produced over 38,000 kg (83,776 lb) of dried biomass. For more information, please visit [www.christinalakecannabis.com](http://www.christinalakecannabis.com) and [www.sedar.com](http://www.sedar.com) (CLC.CN).



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### **Forward-Looking Information**

This news release may contain certain forward-looking information and statements, including without limitation, statements pertaining to receipt of CSE approval, statements regarding the redemption of the Preferred Shares and the timing thereof. All statements included herein, other than statements of historical fact, are forward-looking information and such information involves various risks and uncertainties. There can be no assurance that such information will prove to be accurate, and actual results and future events could differ materially from those anticipated in such information. A description of assumptions used to develop such forward-looking information and a description of risk factors that may cause actual results to differ materially from forward-looking information can be found in the Company's disclosure documents on the SEDAR website at [www.sedar.com](http://www.sedar.com). Christina Lake does not undertake to update any forward-looking information except in accordance with applicable securities laws.

### **Reader Advisory**

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