



## CHRISTINA LAKE CLOSES NON-BROKERED PRIVATE PLACEMENT OF UNSECURED CONVERTIBLE DEBENTURES

VANCOUVER, British Columbia, SEPTEMBER 08, 2022 Christina Lake Cannabis Corp. (the “Company” or “CLC” or “Christina Lake Cannabis”) (CSE: CLC) (OTCQB: CLCFF) (FRANKFURT: CLB) is pleased to announce that it has closed a non-brokered private placement of unsecured convertible debentures (the “Debentures”) in the principal amount of CDN\$810,000 (the “Offering”).

The Debentures will mature thirty-six (36) months from the date of issuance and bear interest at the rate of 15.0% per annum, with such interest to be accrued on a monthly basis and paid on a semi-annual basis. Pursuant to the terms of the Debentures, the subscribers may at any time prior to the Maturity Date convert the principal amounts of the Debentures and any accrued but unpaid interest into common shares of the Company (“Common Shares”), at a price of \$0.15 per Common share.

The Debentures (principal and interest) will be unsecured debt obligations of the Company, and therefore subject to existing security interests (as applicable) and permitted encumbrances. Each Debenture shall rank *pari passu* with all other Debentures, regardless of the date of issuance.

In connection with the issuance of the Debentures, the Corporation issued an aggregate of 405,000 bonus warrants (“Bonus Warrants”) to the subscribers of the Offering. Each subscriber received one half of one Bonus Warrant for each \$1 subscribed under the Offering. Each Bonus Warrant is exercisable until December 31, 2024 to acquire one additional Common share per Bonus Warrant at an exercise price of \$0.20 per share. The Bonus Warrants are subject to an acceleration clause, whereby if the volume weighted average price of CLC's Common Shares exceeds \$0.40 per Common Share for a period of 20 days, the Company may accelerate the expiry of the Bonus Warrants by providing notice to the holders.

All securities issued pursuant to the Offering are subject to a statutory four-month and one day hold period from the date of issuance pursuant to applicable securities laws of Canada.

Proceeds from the Offering will be used to finance and repatriate the purchase of processing equipment and working capital to continue the Company’s ongoing obligations.

### *MI 61-101 Disclosure*

Certain insiders of the Company participated in the Offering for an aggregate total of \$700,000 in Debentures. The participation by such insiders is considered a “related-party transaction” within the meaning of Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* (“MI 61-101”). The Company has relied on exemptions from the formal valuation and minority shareholder approval requirements of MI 61-101 contained in sections 5.5(a) and 5.7(1)(a) of MI 61-101 in respect of related party participation in the placement as neither the fair market value (as determined under MI 61-101) of the subject matter of, nor the fair market value of the consideration for, the transaction, insofar as it involved the related parties, exceeded 25% of the Company’s market capitalization (as determined under MI 61-101).



The Company did not file a material change report more than 21 days before the expected closing of the Offering as the details of the participation therein by related parties of the Company were not settled until shortly prior to closing of the Offering and the Company wished to close on an expedited basis for sound business reasons.

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

Christina Lake Cannabis is a licensed producer of cannabis under the Cannabis Act. It has secured a standard cultivation license and corresponding processing amendment from Health Canada (March 2020 and August 2020, respectively) as well as a research and development license (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 site. CLC focuses its production on creating high quality extracts and distillate for its B2B client base with proprietary strains specifically developed for outdoor cultivation to enhance extraction quality.

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

*"Mark Aiken"*

Mark Aiken, CEO<sup>1</sup>

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

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This news release contains statements which constitute "forward-looking statements", including the anticipated use of the proceeds of the Offering, statements regarding the plans, intentions, beliefs and current expectations of the Company with respect to the future business activities and operating performance of the Company. The use of any of the words "anticipate," "continue," "estimate," "expect," "may," "will," "would," "should," "believe" and similar expressions are intended to identify forward-looking statements. Although the Company believes that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the

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<sup>1</sup> Mr. Aiken is the acting CEO of the Company and his appointment remains subject to Health Canada Clearance in accordance with the *Cannabis Act*.



forward-looking statements because the Company can give no assurance that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. These statements speak only as of the date of this News Release. Actual results could differ materially from those currently anticipated due to a number of factors and risks including various risk factors discussed in the Company's disclosure documents which can be found under the Company's profile on <http://www.sedar.com>. Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, believed, estimated or expected. The Company does not intend, and does not assume any obligation, to update these forward-looking statements except as otherwise required by applicable law