NOT FOR DISTRIBUTION TO U.S. NEWSWIRES OR DISSEMINATION IN THE UNITED STATES

CANNABIS STRATEGIES ACQUISITION CORP. ANNOUNCES PROPOSED QUALIFYING TRANSACTION

Highlights of the Transaction

- ***CSAC has executed agreements to acquire 5 existing companies to create an anchor portfolio (the "Anchor Portfolio") of vertically integrated operations in the Eastern and Western United States, pending regulatory approval on licensing and structure***
- ***The Anchor Portfolio was assembled based on anticipated 2018 profitability and strength of the resulting platform for future growth***
  - ***The Anchor Portfolio consists of positive Adjusted EBITDA[1], vertically integrated operators in limited license states with large addressable consumer populations***
  - ***The Anchor Portfolio companies comprise proven operators with deep talent pools to contribute expertise to a broader cannabis roll-up***
  - ***The combined operations are expected to have over 325 employees across 3 cultivation and production facilities and 8 dispensaries***
  - ***The quality of the Anchor Portfolio is reflected in the fact that each acquisition target required processes and controls that are expected to be sufficient to pass a 3 year financial audit[2]***
- ***The Anchor Portfolio possesses a strong growth profile on top of existing positive Adjusted EBITDA[1]***
  - ***Target pro forma revenue of Cdn.$100–110 million for 2018, targeted to grow to Cdn.$250–270 million for 2019 (excluding additional acquisitions)***
  - ***Pro forma Adjusted EBITDA[1] targeted in the range of Cdn.$30-35 million in 2018, with a goal to grow to Cdn.$130–150 million Adjusted EBITDA[1] for 2019 (excluding additional acquisitions)***
  - ***The Anchor Portfolio is anticipated to produce over 5,600 kilograms of finished flower and over 550,000 grams of cannabis oil extract in 2018, targeted to grow to over 31,000 kilograms of finished flower and 3,100,000 grams annually by 2020[3].***
- ***In connection with the Transaction, CSAC has built an outstanding executive team of proven leaders in marketing, operations and finance, areas essential for future CSAC success***
- ***Over 35% of the total consideration (valued at share price as of 15 October 2018) to be paid in shares, demonstrating a strong confidence in CSAC's value proposition and creating a strong alignment of incentives for all stakeholders.***
- ***Going forward, CSAC expects to focus on building beyond its Anchor Portfolio with future acquisitions and organic growth, with a focus on brand and consumer experience***

Toronto, Ontario October 17, 2018 – Cannabis Strategies Acquisition Corp. (NEO: CSA.A, CSA.WT, CSA.RT) ("**CSAC**"), a special purpose acquisition corporation, or SPAC, that listed in Canada on December 21, 2017, is pleased to announce that it has entered into definitive agreements (the "**Definitive Agreements**") to concurrently

---

[1] See "Definition and Reconciliation of Non-IFRS Measures" below.

[2] CSAC is currently seeking regulatory relief for one target whose 2016 data was lost due to the industry-wide issue involving a cannabis technology service provider in 2016, whereby the technology service provider suffered a complete data loss; it is anticipated that audits will be completed for years excluding 2016 for such Target Business. This relief cannot be assured.

[3] Subject to the completion of in place cultivation and product facility expansion plans, anticipated to come on line in 2019 and 2020, including relocating one dispensary, and assuming 2/3 capacity utilization of a new facility in 2020.

acquire the target businesses of Washoe Wellness, LLC ("**Washoe**"), The Canopy NV, LLC ("**Canopy**"), Sira Naturals, Inc. ("**Sira**"), LivFree Wellness LLC ("**LivFree**") and CannaPunch of Nevada LLC (collectively, the "**Target Businesses**" or the "**Anchor Portfolio**"), which are intended to constitute CSAC's qualifying transaction (the "**Transaction**").

The Transaction, upon closing, when final regulatory approvals are received from all applicable jurisdictions, will create a combined enterprise with a strong combination of high-quality assets anchoring the Eastern and Western United States. Assuming closing of the Transaction, CSAC will own three cultivation and production facilities, a facility dedicated to cannabis goods manufacturing, and 8 dispensaries, in addition to key licenses. Summary information, by Target Business, is summarized below:

Company	Key Assets	Description
Washoe	1 Cultivation / Production Facility	Washoe is a vertically-integrated cultivator, producer and distributor of cannabis in northern Nevada, focused in Reno in Washoe County and distributing to Las Vegas. Washoe specializes in producing a full spectrum of premium, quality cannabis-based products, including cannabis flower, plant material, concentrates, edibles and topical products through efficient & compliant cultivation, extraction and manufacturing processes. Products include premium cannabis flower, pre-rolls, and a full line of vape pens, disposable vape pens, concentrates, edibles, topicals, & tinctures all made from quality cannabis oil, derived from over 30 different strains of premium THC and CBD cannabis. Washoe is licensed to possess, cultivate, process, and dispense medical and adult-use cannabis throughout Nevada via its well-established KYND brands and through a licensing deal with the recognizable brand --Willies Reserve. The Company began medical sales in Q1 2016 and recreational sales in Q3 2017.
LivFree	3 Dispensaries 4 Cultivation/Production Facilities (licensed but not operating)	LivFree operates three dispensaries in the state of Nevada: one in Clark County, one in Henderson and one in Reno. In addition, LivFree is separately licensed to operate four additional facilities (two production facilities and two cultivation facilities). LivFree's dispensaries opened in 2016. There will be no impact on the status of the LivFree licenses until the parameters, terms and structure of this transaction is approved by the State of Nevada and all applicable authorities.
Canopy	2 Dispensaries	Canopy operates two dispensaries in the city of Reno, Nevada, one in downtown Reno adjacent to the casino-resort corridor and a second in the North Valleys, both under the MYNT brand, which was named Best Dispensary in Reno in 2018. The first dispensary (downtown Reno) opened for medical sales in Q1 2017, with adult use recreational sales following in Q3 2017. Adult use recreational sales for the North Valleys location began in Q3 2018. Canopy is Licensed to sell both medical and adult-use cannabis in Nevada.
Sira	1 Cultivation / Production Facility 3 Dispensaries	Sira is a vertically-integrated producer and seller of medical cannabis and related products in Massachusetts. Sira was among the earliest recipients of licenses to cultivate, manufacture, transport and sell medical marijuana in Massachusetts, and is consistently cited as a best-in-class operator in the state. Sira has also secured provisional licenses to cultivate, manufacturing and transport cannabis and cannabis products for adult use purposes in Massachusetts and intends to apply for licenses to operate adult use cannabis retail establishments. Products include cannabis and cannabis products, including oil, edibles, and vaporizer products.
CannaPunch	1 Production Facility Multiple Brands and Licenses	CannaPunch is a manufacturer and distributor of cannabis-infused products in Nevada and Colorado, and the CSAC purchase entitles CSAC to the rights to the CannaPunch suite of brands across the U.S. outside of Colorado. CannaPunch's key brands include CannaPunch (beverages), Highly Edible (gummies), Dutch Girl (edible), Nordic Goddess (topical salve), and Tumbleweed (oil and other extracts). CannaPunch is licensed to manufacture cannabis products in Nevada.

All information provided herein is pending Nevada, Massachusetts and Colorado regulatory approvals.

Following successful completion of the Transaction, CSAC plans to seek additional growth opportunities through synergy realization, organic growth, expansion of the existing Anchor Portfolio footprint, securing of new licenses and further acquisition activity. The revenue and Adjusted EBITDA[1] target ranges for 2019 and 2020 described below incorporate some but not all of the potential areas of future growth for CSAC.

(Cdn$ million)	Target Revenue		Target Adjusted EBITDA[1]	
	2018	2019	2018	2019
Washoe	14.2	40.5	6.1	21.8
LivFree	44.3	56.4	13.2	28.2
Canopy	19.5	23.8	6.2	8.2
Sira	19.9	117.0	4.6	65.0
CannaPunch	8.0	23.2	4.4	16.2
Pro Forma Standalone	**105.9**	**260.9**	**34.4**	**139.4**

For the year ended 2020, total revenues of Cdn. $500-550 million and total Adjusted EBITDA of Cdn. $300-325 million are targeted from the operations that are proposed to be acquired as part of the Qualifying Transaction. In addition, CSAC is targeting additional company and license acquisitions in each of 2019 and 2020 to add Cdn. $75-150 million in revenues and Cdn. $30-50 million in Adjusted EBITDA each year.

Combined, CSAC is targeting 2019 total revenues of Cdn. $350-375 million, with 2019 targeted Adjusted EBITDA of Cdn. $170-190 million. In 2020, CSAC's targeted total revenues are in the range of Cdn. $750-825 million and targeted Adjusted EBITDA in the range of Cdn. $375-400 million.

Following closing of the Transaction, the board of directors and management team of the resulting issuer are expected to be comprised of a group of successful executives and entrepreneurs who are leaders in their fields, with proven track records at large blue chip companies as well as entrepreneurial early stage growth companies, as outlined below.

Chief Executive Officer, Jonathan Sandelman
Mr. Sandelman is a 30 year veteran of banking and finance, with a history of generating shareholder value. He served as President of Bank of America Securities after building its capital markets businesses through the early 2000s, building Bank of America beyond its roots as a consumer and corporate lender, and subsequently founded and served as CEO of multi-billion dollar asset manager Sandelman Partners.

Executive Vice Chairman, Mark Smith
Starting in 2014 with the legalization of cannabis in Colorado, Mr. Smith has proven himself a world class cannabis operator. Mr. Smith built a large network of Colorado dispensaries (Tumbleweed), as well as a line of premier edibles and concentrates brands and leading manufacturing capabilities in the Western United States.

Chief Commercial Officer, Chris Burggraeve
Mr. Burggraeve is an award winning global business marketer and active cannabis entrepreneur. He has over 30 years of global marketing experience at Proctor and Gamble, the Coca Cola Company, and AB InBev, where he was global CMO. Chris has also served as a board member and President of the World Federation of Advertisers.

Chief Operating Officer, Jennifer Drake
Ms. Drake is a proven business leader in large blue chip institutions and at lean start-ups. A former Managing Director at Goldman Sachs with extensive M&A experience, Ms. Drake institutionalized the businesses of several multi-billion dollar asset management firms, ensuring compliance with complex regulatory frameworks and creating foundation for accelerated growth.

Head of Wellness (focused exclusively on CBD, Health & Pain Indications), Dr. David Shulkin
Dr. Shulkin is a national thought leader on veterans' health and patient-centered care for all Americans. He is a Former Secretary of the Department of Veterans Affairs under President Trump and Undersecretary under President Obama, with a history of leadership in healthcare organizations including the University of Pennsylvania Health System, Temple University Hospital, Beth Israel Medical Center, and the Morristown Medical Center.

Summary of Transaction

Aggregate consideration for the Transaction payable by CSAC will be comprised of a combination of cash, equity and debt, as follows:

- an aggregate of Cdn.$99 million in cash;
- the issuance of approximately 7.6 million Class B Shares (upon the exchange of an equal number of exchangeable shares); and
- the issuance of promissory notes in an aggregate amount of Cdn.$57 million.

As part of the Transaction, CSAC intends to issue approximately 7.6 million exchangeable shares of a wholly-owned Nevada subsidiary to the vendors of the Target Businesses, which are exchangeable on a one-for-one basis, for Class B shares of CSAC (the "**Class B Shares**") at the option of the holder, subject where applicable to certain contractual lock-up restrictions, and are designed to be economically equivalent (without taking into account tax consequences) to the Class B Shares. True-up provisions apply in certain cases.

After the Transaction, assuming no redemptions of any Class A Restricted Voting shares of CSAC (the "**Class A Restricted Voting Shares**"), CSAC expects to have 26.2 million shares outstanding, assuming the exchange of all exchangeable shares. In addition, 16,359,058 warrants of CSAC (the "**Warrants**") with an exercise price of Cdn$11.50 per share are expected to be outstanding, as are rights of CSAC (the "**Rights**") to acquire an additional 1.35 million shares. As described further in the material change report of CSAC to filed in the near future, the fully diluted share count at such date is expected to be 42.6 million shares, before giving effect to any potential future employee stock option plan.

In Nevada, pending final regulatory approval of certain license transfers, CSAC (or its wholly-owned subsidiary) may enter into management services and related agreements with one or more of the Target Businesses, designed to provide CSAC with economically equivalent interests on an interim basis until such time as all necessary approvals are obtained.

The Transaction is subject to the satisfaction of certain conditions, including United States state and local regulatory, Aequitas NEO Exchange Inc. and Canadian securities regulatory authority approvals, as well as certain third party consents and satisfactory completion by CSAC of due diligence. There can be no assurance that these conditions will be satisfied. The Transaction is also subject to CSAC shareholder approval. All of the directors and executive officers of CSAC, along with Mercer Park CB, L.P., CSAC's sponsor, have agreed to support the Transaction.

The board of directors of CSAC has unanimously approved the Transaction and determined that it is fair and in the company's best interests. Completion of the Transaction is currently expected to occur, subject to satisfaction of closing conditions, in the first quarter of 2019.

Conference Call Information

Senior management of CSAC will be hosting an investor conference call to allow shareholders an opportunity to hear from and ask questions of management.

Please call in at least 10 minutes prior to the call to register.

Date: Monday, October 22, 2018 at 10:30 a.m. (ET).

Local - Toronto (+1) 416 764 8658

Toll Free - North America (+1) 888 886 7786

CSAC's Qualifying Transaction

The Transaction, if closed, will constitute CSAC's qualifying transaction and must be approved by CSAC shareholders at a special meeting of shareholders (the "**Meeting**").

The founders of CSAC previously agreed to vote their Class B Shares and any Class A Restricted Voting Shares they have acquired in favour of the Transaction. In addition to CSAC shareholder approvals by majority vote (with both classes voting together), as well as any other CSAC shareholder approval that may be required by law or by the Aequitas NEO Exchange Inc., completion of the Transaction will be subject to the approval of applicable regulatory approvals, including from the Ontario Securities Commission, the Aequitas NEO Exchange Inc. and applicable Unites States state and local regulators. There can be no assurance that these approvals will be obtained.

Pursuant to the Definitive Agreements, CSAC and the vendors of the Target Businesses have each agreed to use commercially reasonable efforts to complete the Transaction. CSAC has agreed, among other things, to take certain steps to implement the Transaction, to file and to seek to obtain a receipt for a final prospectus and to seek to obtain all other approvals required in connection with the Transaction. The vendors of the Target Businesses have also agreed to operate their respective businesses in the ordinary course pending completion of the Transaction. The Definitive Agreements contain various closing conditions, and therefore closing cannot be assured.

Existing Warrants entitle the holder thereof to purchase, for a period of five years, one Class A Restricted Voting Share (and commencing 65 days following the closing of the Transaction, each Warrant would represent the entitlement to purchase one Class B Share). It is intended that subsequent to the completion of the Transaction, the Warrants will remain in place and become exercisable for Class B Shares. Existing Rights represent the entitlement to automatically receive, for no additional consideration, one-tenth (1/10) of one Class A Restricted Voting Share (and following the closing of the Transaction, each Right would represent the entitlement to receive one-tenth (1/10) of a Class B Share). Any Right that has not been converted within two years after completion of the Transaction will be null and void.

Timing and Additional Information

Pursuant to applicable rules, CSAC has agreed to file with the Canadian securities regulatory authorities in each of the provinces and territories of Canada, except Quebec, a non-offering prospectus containing disclosure regarding the Transaction and the resulting issuer assuming completion of the Transaction. The preliminary prospectus is currently expected to be filed with Canadian securities regulatory authorities in November 2018. Subject to the issuance of a receipt for the final prospectus, CSAC intends to file an information circular in connection with the Meeting.

Subject to the required approvals, CSAC intends to mail the information circular to its shareholders by December 2018 and it is anticipated that the Meeting will take place in January 2019. Closing of the Transaction is expected to occur shortly after the Meeting, subject to satisfaction of the conditions in the Definitive Agreements, including receipt of required regulatory approvals. There can be no assurance that these approvals will be obtained.

The founders of CSAC, being Mercer Park CB, L.P. and Kamaldeep Thindal and Charles Miles (or persons or companies controlled by them), previously agreed to vote their Class B Shares and any Class A Restricted Voting Shares they have acquired in favour of the Transaction.

Holders of Class A Restricted Voting Shares will have a right to redeem all or a portion of their Class A Restricted Voting Shares, provided that they deposit their shares for redemption prior to 5:00 p.m. (Toronto time) on the fifth business day before the Meeting with the redemption being effective, subject to applicable law, immediately prior to the closing of the Transaction. Holders of Class A Restricted Voting Shares may elect to redeem their shares whether they vote for or against, or do not vote on, the Transaction.

The Definitive Agreements and an investor presentation will be available shortly under CSAC's profile on SEDAR. CSAC's preliminary prospectus and information circular are expected to be filed in due course.

About Cannabis Strategies Acquisition Corp.
Cannabis Strategies is a newly organized special purpose acquisition corporation incorporated under the laws of the Province of Ontario for the purpose of effecting a qualifying transaction. Following the Transaction, CSAC will be a vertically integrated cannabis company with an initial anchor portfolio in the Eastern and Western United States.

About Washoe Wellness, LLC
Washoe is a vertically-integrated cultivator, producer and distributor of cannabis in northern Nevada, focused in Reno in Washoe County and distributing to Las Vegas. Washoe specializes in producing a full spectrum of premium, quality cannabis-based products, including cannabis flower, plant material, concentrates, edibles and topical products through efficient & compliant cultivation, extraction and manufacturing processes. Products include premium cannabis flower, pre-rolls, and a full line of vape pens, disposable vape pens, concentrates, edibles, topicals, & tinctures all made from quality cannabis oil, derived from over 30 different strains of premium THC and CBD cannabis. Washoe is licensed to possess, cultivate, process, and dispense medical and adult-use cannabis throughout Nevada via its well-established KYND brands and through a licensing deal with the recognizable brand --Willies Reserve. The Company began medical sales in Q1 2016 and recreational sales in Q3 2017.

About The Canopy NV, LLC
Canopy operates two dispensaries in the city of Reno, Nevada, one in downtown Reno adjacent to the casino-resort corridor and a second in the North Valleys, both under the MYNT brand, which was named Best Dispensary in Reno in 2018. The first dispensary (downtown Reno) opened for medical sales in Q1 2017, with adult use recreational sales following in Q3 2017. Adult use recreational sales for the North Valleys location began in Q3 2018. Canopy is licensed to sell both medical and adult-use cannabis in Nevada.

About Sira Naturals, Inc.
Sira is a vertically-integrated producer and seller of medical cannabis and related products in Massachusetts. Sira was among the earliest recipients of licenses to cultivate, manufacture, transport and sell medical marijuana in Massachusetts, and is consistently cited as a best-in-class operator in the state. Sira has secured provisional licenses to cultivate, manufacturing and transport cannabis and cannabis products for adult use purposes in Massachusetts and intends to apply for licenses to operate adult use cannabis retail establishments. Products include cannabis and cannabis products, including oil, edibles, and vaporizer products.

About LivFree Wellness, LLC
LivFree operates three dispensaries in the state of Nevada: one in Clark County, one in Henderson and one in Reno. In addition, LivFree is separately licensed to operate four additional facilities (two production facilities and two cultivation facilities). LivFree's dispensaries opened in 2016.

About CannaPunch of Nevada LLC
CannaPunch is a manufacturer and distributor of cannabis-infused products in Nevada and Colorado, and the CSAC purchase entitles CSAC to the rights to the CannaPunch suite of brands across the U.S. outside of Colorado. CannaPunch's key brands include CannaPunch (beverages), Highly Edible (gummies), Dutch Girl (edible), Nordic Goddess (topical salve), and Tumbleweed (oil and other extracts). CannaPunch is licensed to manufacture cannabis products in Nevada.

Forward-Looking Statements

Certain information contained in this news release may be forward-looking statements within the meaning of Canadian securities laws. Forward-looking statements are often, but not always identified by the use of words such as "target', "expect", "anticipate", "believe", "foresee", "could", "estimate", "goal", "intend", "plan", "seek", "will", "may" and "should" and similar expressions or words suggesting future outcomes. This news release includes forward-looking information and statements pertaining to, among other things, the Transaction, the receipt of necessary approvals for the Transaction, holding the Meeting and completion of the Transaction, certain anticipated strategic, operational, and competitive advantages and benefits created by Transaction and future opportunities for CSAC.

Numerous risks and uncertainties could cause the actual events and results to differ materially from the estimates, *beliefs and assumptions expressed or implied in the forward-looking statements, including, but not limited to: the conditions to the consummation of the Transaction may not be satisfied or waived; risks relating to the failure to obtain necessary shareholder, court, third party and regulatory approvals for the Transaction; the risk of high levels of redemptions by CSAC shareholders; anticipated strategic, operational and competitive benefits may not be realized; the Transaction may be modified, restructured or terminated; events or series of events may cause business interruptions; and CSAC's ability to raise additional capital.*

*This press release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") or any state securities laws and may not be offered or sold within the United States or to U.S. Persons (as such term is defined in Regulation S under the U.S. Securities Act) unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.*

Definition and Reconciliation of Non-IFRS Measures

The Target Businesses report certain non-International Financial Reporting Standards ("**IFRS**") measures that are used to evaluate the performance of such businesses and the performance of their respective segments, as well as to manage their capital structure. As non-IFRS measures generally do not have a standardized meaning, they may not be comparable to similar measures presented by other issuers. Securities regulations require such measures to be clearly defined and reconciled with their most directly comparable IFRS measure.

Adjusted EBITDA

Adjusted EBITDA represents income (loss) from operations, as reported, before interest, tax, and adjusted for removing other non-cash items, including stock based compensation expense, depreciation, and the non-cash effects of accounting for biological assets and inventories, and further adjusted to remove acquisition related costs.

The following is an illustration of how CSAC calculates Adjusted EBITDA and reconciles it to IFRS figures, based on illustrative figures only. It does not at this time represent actual results of any of the target companies, which are in the process of being finalized and audited.

Illustrative Adjusted EBITDA Reconciliation	The Year Ended
(In USD)	31-Dec-17
Net income (loss) from operations	2,000,000
Non-cash items accounting for biological assets and inventories	
Fair value changes in biological assets	500,000
Unrealized gain on changes in fair value of biological assets	(600,000)
	(100,000)
Share-based compensation expense	100,000
Acquisition costs	15,000
Depreciation and amortization	275,000
	390,000
Adjusted EBITDA	2,390,000

Unless otherwise indicated, all historical financial information included herein was prepared in accordance with IFRS but is unaudited and this subject to change.

This press release makes reference to certain non-IFRS measures and cannabis industry metrics. These measures are not recognized measures under IFRS and do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these are provided as additional information to complement those IFRS measures by providing further understanding of the Target Businesses' results of operations from management's perspective. Accordingly, these measures should not be considered in isolation, nor as a substitute for analysis of the Target Businesses' financial information reported under IFRS. Non-IFRS measures used to analyze the performance of the Target Businesses include "Adjusted EBITDA".

CSAC believes that these non-IFRS financial measures provide meaningful supplemental information regarding the Target Businesses' performances and may be useful to investors because they allow for greater transparency with respect to key metrics used by management in its financial and operational decision-making. These financial measures are intended to provide investors with supplemental measures of the Target Businesses' operating performances and thus highlight trends in the Target Businesses' core businesses that may not otherwise be apparent when solely relying on the IFRS measures.

FOR FURTHER INFORMATION PLEASE CONTACT:

Jonathan Sandelman
Chief Executive Officer, Chairman, Director and Corporate Secretary,
Cannabis Strategies Acquisition Corp.

Chief Executive Officer, Mercer Park CB, L.P.
590 Madison Avenue, 26th Floor, New York, New York, 10022
(212) 299-7666 or jsandelman@mercerparklp.com