



48North Cannabis Corp. Announces Sustained Revenue Growth For Fiscal Q2 2019

February 25, 2019— Toronto, Ontario: 48North Cannabis Corp. (“48North” or the “Company”) (TSXV:NRTH), a leading licensed cannabis producer focused on next-generation cannabis products, has released its financial and operating results for the three and six months ended December 31, 2018. The Company’s financial statements and related management’s discussion and analysis for the period are available on the Company’s SEDAR profile at www.sedar.com and on the Company’s website at www.48nrth.com/investors.

Financial and Operating Highlights for Fiscal Q2 2019

- Sustained quarter over quarter revenue acceleration with second-quarter revenue of \$2.4 million, representing an 88 per cent increase over first-quarter revenues of \$1.3 million.
- Acquired Good & Green, a second licensed producer, with a 2019 production footprint expected to make 48North one of the largest and lowest-cost producers of dried cannabis and cannabis oil, as well as a leader in next-generation cannabis products.
- Closed a \$3,000,000 non-brokered private placement from Canopy Growth Corp. (“Canopy Growth”) (TSX: WEED, NYSE: CGC), providing capital and liquidity to support the continued expansion of 48North, including the development of its 100-acre farm and large-scale extraction capability.

Events subsequent to second-quarter fiscal 2019

- Submitted the Company’s site evidence package to Health Canada in connection with its licence application, submitted in October 2018, for the Company’s 100-acre outdoor farm in Brant County, Ont., providing Health Canada with comprehensive evidence confirming that 48North has successfully built the security provisions on its farm, as outlined in its licence application, including but not limited to security fencing, cameras, and intrusion and access control. 48North has proactively taken this step to reaffirm its commitment and preparedness to begin cultivating outdoor-grown organic cannabis in June 2019.
- Closed a \$7,045,000 non-brokered private placement from a leading U.S. based private investment fund, bringing a total of \$10 million in new equity to the Company.
- Signed a preferred letter of intent with the SQDC, Quebec’s sole legal retailer for recreational cannabis. The agreement includes 1,200 kg of organic sun-grown cannabis from 48North’s outdoor cultivation facility located in Brant County, Ont., and 180 kg of indoor-grown cannabis from the Company’s DelShen Therapeutic Corp. facility in Kirkland Lake, Ont., marking the first supply agreement in Canada between a provincial distributor and a licenced producer with a proposed outdoor cultivation facility.
- Finalized an accessories supply agreement with the Ontario Cannabis Store, Ontario’s sole legal online retailer and wholesaler for recreational cannabis.

- Repaid \$2,300,000 in mortgage debt for the Morton Avenue Good & Green facility.

“48North successfully achieved all of the milestones it targeted in Q2. These included: sustained revenue growth; closing both the Good & Green acquisition and the \$10,000,000 private placement,” said Alison Gordon, co-CEO of 48North.

“Our strong business performance throughout the quarter drove positive EBITAO and a significant increase in revenue growth quarter over quarter,” Ms. Gordon continued. “Subsequent to the end of the quarter, 48North completed the operational build-out and licence application for the Company’s 100-acre outdoor cannabis farm in Brant County, Ont. In addition, the Company signed a supply agreement for organic sun-grown cannabis with the SQDC — the first agreement of its kind in Canada — a significant milestone that demonstrates 48North’s position as the industry leader with respect to the expected development and distribution of next-generation cannabis products, including topicals, cosmetics, vape pens, edibles and beverages.”

Selected Financial Information

All amounts are expressed in Canadian dollars

	3-months ended September 30, 2018	3-months ended December 31, 2018	6-months ended December 31, 2018
Revenue	1,271,544	2,386,905	3,658,449
EBITDAO*	606,570	11,583	618,153
Net and comprehensive loss	(1,011,154)	(872,628)	(1,883,783)
Total assets	26,339,495	46,270,209	46,270,209
Total liabilities	1,176,925	6,311,912	6,311,912
Cash on hand	9,815,083	12,042,072	12,042,072

**EBITDAO is a non-IFRS measure and defined as earnings before interest, tax, depreciation and amortization, and stock-based compensation expense, and is not a recognized measure for financial statement presentation under IFRS. EBITDAO is not intended to be considered as an alternative to net earnings, cash flow from operations, or any other measure of performance prescribed by IFRS. The Company’s EBITDAO may also not be comparable to EBITDAO used by other companies, which may be calculated differently. The Company considers EBITDAO to be a meaningful measure to assess its operating performance in addition to standardized IFRS measures. It is included because the Company believes it can be useful in measuring its ability to fund capital expenditures and expand its business.*

Second Quarter 2019 Results Conference Call

DATE: Tuesday, February 26, 2019

TIME: 8:30 a.m. ET
DIAL IN NUMBER: 647-427-7450 | 1-888-231-8191
CONFERENCE ID: 2085977

About 48North

48North Cannabis Corp. (TSXV: NRTH) is a vertically-integrated cannabis company focused on the health and wellness market through cultivation and extraction, as well as the creation of innovative, authentic brands for next-generation cannabis products. 48North is developing formulations and manufacturing capabilities for its own proprietary products, as well positioning itself to contract manufacture similar products for third parties. 48North operates two indoor-licensed cannabis production sites in Ontario with over 86,000 square feet of production capacity. 48North cultivates unique genetics at its wholly-owned subsidiaries, DelShen Therapeutics Corp. (“DelShen”) and 2599760 Ontario Corp. dba Good & Green (“Good & Green”), both Licensed Producers under the Cannabis Act. In addition, 48North expects to operate a 100-acre organic farm providing 48North with organic, sun-grown cannabis providing a significant first-mover advantage in the production of low-cost, next-generation, extract-based cannabis products. 48North has a growing portfolio of brands that include Latitude, a women's cannabis platform (explorelatitude.com) and Mother & Clone, a rapid-acting sublingual cannabis nanospray (momandclone.com).

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Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accept responsibility for the adequacy or accuracy of this release. Certain statements contained in this press release constitute forward-looking information. These statements relate to future events or future performance. The use of any of the words "could", "intend", "expect", "believe", "will", "projected", "estimated" and similar expressions and statements relating to matters that are not historical facts are intended to identify forward-looking information and are based on the parties' current belief or assumptions as to the outcome and timing of such future events. Actual future results may differ materially. Forward looking statements in this news release include statements relating to the business plan and future operations of the Company, including its application with Health Canada for a cultivation license for its 100 acre outdoor grow property. Such statements are subject to risks and uncertainties that may cause actual results, performance or developments to differ materially from those contained in the forward-looking statements, including the possibility that the business plan described herein will not be completed, that 48North may not derive the expected benefits from such business plans, or that applicable regulatory approvals will be obtained to carry out the activities contemplated herein. The business of the Company is subject to a number of material risks and uncertainties. Please refer to the Company's SEDAR filings for further details. Various assumptions or factors are typically applied in drawing conclusions or making the forecasts or projections set out in forward-looking information. Those assumptions and factors are based on information currently available to the parties. The material factors and assumptions include the Company being able to obtain the necessary corporate, regulatory and other third parties approvals, and licensing and other risks associated with the Cannabis Act. The forward-looking information contained in this release is made as of the date hereof and the parties are not obligated to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable securities laws. Because of the risks, uncertainties and assumptions contained herein, investors should not place undue reliance on forward looking information. The foregoing statements expressly qualify any forward-looking information contained herein.

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