



48North Cannabis Corp. Announces Revenue Growth for Fiscal Q1 2019

November 26, 2018 - Toronto, Ontario: 48North Cannabis Corp. (“48North” or the “Company”) (TSXV:NRTN), a leading licensed cannabis producer focused on next-generation cannabis products, has released its financial and operating results for the quarter ended September 30, 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/investor/financials.

Financial and Operating Highlights for Fiscal Q1 2019

- Revenue growth with total first quarter revenue of \$1.3 million and Adjusted EBITDA of \$606 thousand during Q1 2019
- Wholesaled dried cannabis to other licensed producers to maximize near-term revenue
- Received license to extract and produce cannabis oil at the Company’s Kirkland Lake, Ontario facility
- Announced entering into licensing partnership with Mother & Clone, Inc. (“Mother & Clone”), a Colorado-based company that produces proprietary cannabis sublingual nanosprays
- Completed Phase 1 and began Phase 2 of testing towards selection and cultivation of the Company’s top cultivars

Events subsequent to year-end

- Entered into letter agreement with 2599708 Ontario Inc. (“Good & Green”) to acquire 100% of the issued and outstanding common shares of Good & Green in an all-share transaction valued at \$18.0 million (the “Acquisition”). The Acquisition is expected to close on November 30, 2018. Prior to the letter agreement, 48North entered into a supply agreement with Good & Green for 6,000 kilograms of organically sun-grown, dried cannabis for \$1.5 million.
- Launched non-brokered private placement for minimum gross proceeds of \$10.0 million. The financing provides capital and liquidity to support 48North’s continued expansion. This includes the development of a new 100-acre low-cost outdoor production farm, large-scale extraction capabilities, an increase in indoor production capacity, and the rapid development of innovative next generation cannabis products.

“We approached fiscal 2019 with a clear focus to lead the development and distribution of next-generation cannabis products,” said Alison Gordon, Chief Executive Officer at 48North. “We achieved several milestones over the past months, and subsequent to the quarter entered into a binding letter agreement for the transformational acquisition of Good & Green, entered into an exclusive licensing

agreement with Mother & Clone, and launched a non-brokered private placement for minimum gross proceeds of \$10 million.”

“Our strong business performance throughout the quarter increased revenue and positive Adjusted EBITDA of \$606 thousand,” continued Ms. Gordon. “Funds raised in our most recent financing round will be used towards rapidly advancing 48North’s business plan. Following the acquisition of Good & Green, 48North is well positioned to be a market leader in low-cost organic cannabis production and the development of best-in-class, next generation cannabis products.”

Selected Financial Information for Three-Months Ended September 30, 2018

All amounts are expressed in Canadian dollars

	September 30, 2018	September 30, 2017
Revenue	1,271,544	Nil
Adjusted EBITDA*	606,570	(1,260,697)
Net and comprehensive loss	(1,011,070)	(1,480,320)
Total assets	26,339,579	25,862,870
Total liabilities	1,176,924	1,439,292
Cash on hand	9,815,083	12,231,484

**Adjusted EBITDA 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. Adjusted EBITDA 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 Adjusted EBITDA may also not be comparable to Adjusted EBITDA used by other companies, which may be calculated differently. The Company considers Adjusted EBITDA 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.*

First Quarter 2019 Results Conference Call

Date: November 27, 2018

Time: 8:30 a.m. ET

Dial-in number: (888) 231-8191

Toll-free North American number: (647) 427-7450

Conference ID: 9293958

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 cultivates unique genetics from the Netherlands at its wholly-owned subsidiary, DelShen Therapeutics Corp. ("DelShen"), a Licensed Producer under the Cannabis Act. DelShen is authorized to cultivate and sell cannabis as well as extract oil from its 40,000 square foot indoor facility near Kirkland Lake, Ontario. 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).

On October 30, 2018, 48North announced a letter agreement for the acquisition of 2599708 Ontario Inc. ("Good & Green"), a Licensed Producer under the Cannabis Act. Good & Green has a 46,000 square foot indoor cultivation and production facility in Brantford, Ontario and recently submitted a cultivation license application to Health Canada in connection with its 100-acre outdoor farm in Southwest Ontario. This is expected to provide an additional 40,000 kilogram of low-cost, sun-grown dried cannabis perfectly suited for the development and manufacture of 48North's proprietary and white labeled products. The acquisition is expected to close on or before November 30, 2018.

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including the timing and ability of the Company to obtain an outdoor cultivation license through Health Canada, close the Financing, if at all, the gross proceeds of the Financing, and the timing and ability of the Company to obtain all necessary approvals, including shareholder approval of the creation of the Preferred Shares. 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.