



## **48North Enters U.S. Market with Closing of Acquisition of Quill, a Leading Multi-State Cannabis CPG Brand**

August 29, 2019 — Toronto, Ont.: 48North Cannabis Corp. (“**48North**” or the “**Company**”) (TSXV:NRTH) is pleased to announce that it has closed the previously announced definitive agreement dated August 22, 2019 (“**Definitive Agreement**”) to acquire Rare Industries, Inc. (“**Quill**”), a U.S. multi-state Vape Technology brand (“**Acquisition**”) with product distribution in Oregon and Washington and near-term expansion plans for California and Nevada. The acquisition marks 48North’s first foray into the United States.

Quill, a leader in the manufacturing of beautifully designed, lifestyle-focused and sleek vape products, specializes in the development of easy-to-use, controlled-dosage and health-focused disposable vape pens.

Quill distributes its unfinished branded proprietary vape delivery hardware to licensed cannabis processors who finish the products (including by filling the hardware with cannabis extracts) and distribute the finished products to licensed cannabis retailers. Quill is not itself engaged in the cultivation, distribution or possession of cannabis in the United States.

This year, in addition to Quill’s established products, the company is launching a full-spectrum, hemp based, CBD-specific, internationally distributed, all-in-one vaporizer pen. As a result, 48North-owned products will now have multi-state distribution and the ability to be licensed globally, where legally permitted.

“48North recognizes the importance of entering the burgeoning U.S market. I believe that authentic brands and next-generation products distributed at scale, particularly in the emerging U.S. market, will be one of the major keys to success in the cannabis industry,” said Alison Gordon, co-CEO of 48North.

“Without question, the Quill suite of products aligns closely with 48North’s growing portfolio of brands. This acquisition marks a critical step in the Company’s goal to become the trusted leader in the development, manufacturing and distribution of next-generation cannabis products and brands,” Ms. Gordon continued.

“48North’s industry-leading focus on next-generation cannabis products and its brand-first consumer strategy will undoubtedly elevate Quill, its brand and products to the next-level. The U.S-based Quill team is eagerly looking forward to joining with 48North’s experienced and dedicated management team,” said Ian Van Veen Shaughnessy, co-founder of Quill.

48North intends to leverage Quill's expanding distribution network to accelerate the distribution of the Company's brand portfolio into the United States. 48North also intends to pursue opportunities to sell Quill products throughout its existing distribution network in Canada.

The total consideration payable on closing of the Acquisition by 48North was USD \$2,100,000 consisting of the following: (i) USD \$641,000 paid in cash; and (ii) USD \$1,459,000 paid through the issuance of 2,247,834 common shares of 48North ("**Common Shares**") at a price of approximately \$0.86 per Common Share ("**Issue Price**"). The Issue Price was calculated based on the volume weighted average price of the Common Shares on the TSXV for the 10 trading days immediately prior to the execution of the Definitive Agreement. In addition, 48North will pay a conditional earn-out in Common Shares based on overall operating performance of Quill in 2019 and 2020 of up to USD\$3,150,000.

### **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 as positioning itself to contract manufacture similar products for third parties. 48North operates Good:Farm, a 100-acre organic cannabis farm that is expected to produce more than 40,000 kg of organic, sun-grown cannabis, securing a significant first-mover advantage in the production of low-cost, next-generation, extract-based cannabis products. In addition, 48North operates two indoor-licensed cannabis production sites in Ontario. 48North cultivates unique genetics at its wholly owned subsidiary, DelShen Therapeutics Corp. ("DelShen") and processes cannabis and manufactures next-generation cannabis products at Good & Green Corp. ("Good & Green"), both Licensed Producers under the Cannabis Act. 48North has a growing portfolio of brands that include Latitude, a women's cannabis platform (explorelatitude.com); Mother & Clone, a rapid-acting sublingual cannabis nanospray (momandclone.com); Avitas, a single-strain vaporizer cartridge (avitasgrown.com) and Quill, a leader in the manufacturing of beautifully designed, lifestyle-focused and sleek vape products (quill.me).

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SOURCE: 48North Cannabis Corp.

For further information:

Alison Gordon, Chief Executive Officer, ([hello@48nrth.com](mailto:hello@48nrth.com))

Connor Whitworth, Director of Corporate Affairs, ([investor@48nrth.com](mailto:investor@48nrth.com))