



48North Cannabis Corp. Announces Fiscal Q1 2020 Results After Completing First Outdoor Harvest

November 25, 2019— Toronto, Ontario: 48North Cannabis Corp. (“48North” or the “Company”) (TSXV:NRTN), a leading licensed cannabis producer focused on low-cost cultivation, brand, and consumer-focused cannabis products, has released its financial and operating results for the first quarter ended September 30, 2019. 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 First-Quarter Fiscal 2020

- Quarter over quarter revenue growth with first-quarter revenue of \$1.6 million, representing a 229 per cent increase over fourth-quarter 2019 revenues of \$484,000.
- At the end of the quarter, 48North had \$40 million of cash and cash equivalents on hand and remains well-funded to execute on its business plan.

Events Subsequent to First-Quarter Fiscal 2020

- 48North is pleased to announce the completion of construction at Fume Labs, its large scale CO₂ and ethanol extraction facility operated in partnership with humble+fume operated at Good:House. With the capacity to process over 30,000 kg of biomass annually, Fume Labs will allow the Company to produce, package and distribute in excess of five million concentrate vaporizers annually.
- The Company announced it had acquired Sackville & Co. Merchandising Ltd. (“Sackville & Co.”) a leading U.S.-based cannabis brand focused on design-forward cannabis accessories and CBD-based products.
- In addition, the Company announced that it signed an exclusive licensing agreement with U.S.-based APCNA Holdings LLC., to bring its best-selling, premium cannabis topicals brand Apothecanna to Canadian consumers.
- 48North launched its outdoor-focused dried flower brands; First Harvest and Trail Mix. First Harvest, 48North’s seasonal high-quality outdoor-grown cannabis is expected to be available for retail sale in Winter 2020. Trail Mix, the Company’s affordable, natural cannabis brand is also expected to be available Winter 2020, 48North expects that Trail Mix will be among the lowest-cost legal cannabis brands available for Canadian consumers.

Good:Farm Harvest Update

- 48North completed its first outdoor harvest at Good:Farm and hit its production cost targets. The total cash cost per gram of production at Good:Farm was \$0.25/gram, meeting the Company's projection. This places 48North among the lowest-cost producers of legal cannabis in Canada.
- 48North harvested 12,000 kg of dried cannabis in its first year of outdoor production at Good:Farm. In fact, the Company successfully cultivated enough cannabis at Good:Farm to meet its initial 2019 projections, but total harvest volume was reduced due to significant delays in the availability of licensed drying space, which will be resolved for the 2020 grow season.
- That said, the Company remains on track to meet its previously announced supply agreements with provincial wholesalers in Alberta, Ontario and Quebec. In addition, 48North is on track to meet its commitment to supply Fume Labs with a significant surplus of cannabinoid rich biomass for the development of next-generation cannabis products such as vapes and topicals.
- 48North has commitments for approximately 11,000 kg of its cannabis, with an average wholesale price of approximately \$3.35/gram. The sale of outdoor grown cannabis is expected to generate significant revenue increases for the Company in upcoming quarters.
- The Company looks forward to further optimizing its operations at Good:Farm in 2020 by applying lessons learnt on the farm in 2019, including: adding licenced drying capacity, the addition of an experienced cultivation and operations team, prioritizing cultivars that performed well in 2019 and perfecting harvesting techniques.
- As previously mentioned, 48North made significant changes to its senior operations team, these changes positioned the Company to preserve the 2019 crop and to optimize 2020 yields.
- 48North projects that at the Good:Farm in 2020, the Company will be able reduce its cash cost per gram significantly.
- While the Company was not able to dry the full capacity at Good:Farm due to licensed drying capacity, 48North remains committed to growing cannabis outdoors at scale. Looking ahead to 2020 the Company is well-positioned to remain one of Canada's lowest cost producers of cannabis with a year head start on many in the industry.

"48North achieved all of the milestones it targeted in Q1. These included: increased revenue growth, the harvest at Good:Farm, continued strategic U.S expansion, and the announcement of additional licensing agreements for next-generation cannabis products," said Alison Gordon, CEO of 48North.

"Our strong business performance throughout the quarter increased revenue growth," Ms. Gordon continued. "That said, today's numbers do not include revenue from the sale of cannabis from the Company's outdoor cultivation facility. Next quarter, and in subsequent quarters, 48North expects to begin showing increased revenue from the sale of dried cannabis from Good:Farm and next-generation cannabis products. While 48North missed its projections at Good:Farm, the Company has taken the necessary action to optimize the Good:Farm for 2020, notwithstanding, the Company will soon begin showing significant revenue from the 2019 harvest. Without question, 48North's brand is taking hold in the Canadian marketplace, the Company's products, in multiple jurisdictions, have consistently been best-sellers and consumers look forward to purchasing 48North's innovative product suite."

Selected Financial Information

All amounts are expressed in Canadian dollars

	3-months ended September 30, 2019	3-months ended September 30, 2018
Revenue	1,594,679	1,271,544
Net income (loss)	2,201,354	(1,011,154)
Total assets	99,237,470	26,339,495
Total liabilities	8,332,257	1,176,925
Cash on hand	40,392,298	9,815,083

First Quarter 2019 Results Conference Call

When: Tuesday, November 26, 2019 at 8:30 AM E.T.

Dial-in number: 1 (888) 231 8192

The conference ID is 8672507 and you will be prompted to provide your name and company.

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 which produces 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:House”), 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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For further information, please contact:

David Hackett
Chief Financial Officer, 48North
(416) 639 5891 ext. 304
investor@48nrth.com

Connor Whitworth
Director of Corporate Affairs, 48North
(416) 639 5891 ext. 316
cwhitworth@48nrth.com