



48North Cannabis Corp. Announces Revenue Growth for Fiscal Q2 2020 and Provides Product Launch Update

February 20, 2020—Toronto, Ontario: 48North Cannabis Corp. (“48North” or the “Company”) (TSXV:NRTN), a leading licensed cannabis producer focused on low-cost cultivation, brand, and consumer-friendly cannabis products, has released its financial and operating results for the second quarter ended December 31, 2019. The Company’s financial statements and related management 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 2020

- Quarterly revenue of \$1.8 million, representing a 13 per cent quarter-over-quarter increase over first-quarter 2020 revenues of \$1.6 million.
- \$33 million of cash and cash equivalents on hand at the end of the quarter, positioning 48North well to execute on its business plan.
- Q2 marks the last quarter where the Company’s revenue is expected to be derived exclusively from 48North’s indoor cultivation facility, delshen. In subsequent quarters, 48North expects to begin reporting revenue increases from the sale of recently legalized Cannabis 2.0 products, and 48North’s contract manufacturing business, fume labs which will utilize cannabis from Good:Farm, one of the country’s first and largest licensed outdoor production facilities.

Events Subsequent to Second-Quarter Fiscal 2020

- The Company announced that it signed an exclusive curation partnership with Thoughtfull, a creation of Indigo Books & Music Inc. Under the terms of the partnership, 48North will be Thoughtfull’s exclusive cannabis partner, holding responsibility for curating an offering of cannabis-related accessories. Leveraging 48North’s trusted consumer brand and relationships within the industry, Thoughtfull will curate an array of premium cannabis accessories.
- The Company announced that third-party laboratory testing confirmed that 48North’s first outdoor harvest at Good:Farm yielded high-quality, high-THC and CBD cannabis.
- The Company announced the creation of fume labs, a strategic partnership between 48North and humble+fume. fume labs, is a cannabis-focused manufacturing and extraction entity with significant capacity to contract manufacture vaporizer products. fume labs is fully operational and licensed; located within 48North’s licensed facility Good:House, located in Brantford, ON. This addition strategically strengthens 48North’s capacity to be a leader in the development and manufacturing of next-generation cannabis products and contract manufacturing.
- 48North was pleased to announce that it had secured additional product listings for next-generation cannabis products in new Canadian markets, including: British Columbia,

Saskatchewan, Manitoba, and New Brunswick. As a result, 48North-owned products will now be available in 7 out of 10 Canadian provinces, representing over 95 per cent of the population.

Product Launch Update

Flower

- 48North expects to begin selling dried flower into the Alberta market under the *48North* brand in March.
- 48North's *First Harvest* brand is expected to be available for retail sale in Alberta in March. It is the Company's expectation that this product will roll-out in further provinces in the near term.
- The Company's *Fleur du Jour* brand is expected to be available for retail sale in Quebec in April.

Next-generation products

- 48North expects to be launching *Apothecanna*, the Company's licensed cannabis topicals brand, in Ontario in February. It is the Company's expectation that this product will roll-out in further provinces in the near term.
- 48North expects to be launching its licensed *Avitas* vape product in Ontario in March. It is the Company's expectation that this product will roll-out in further provinces in the near term.

48North will continue to sell its dried flower into Quebec and pre-rolls in Ontario and Alberta.

"48North was laser-focused in Q2 2020 on operational upgrades, successfully conducted post harvest activities from Good:Farm, building consumer loyalty, and preparing the launch of our impressive suite of next-generation brands. Provincial wholesales, retailers, and consumers alike are demanding 48North's products – largely a result of the significant progress the Company has made in building a strong, authentic and trusted brand in Canada," said Alison Gordon, CEO of 48North Cannabis Corp.

"In addition to increased revenues derived from 48North's branded product, the Company expects to begin showing significant revenue with strong margins from its contract manufacturing business, fume labs. fume labs has signed contracts with a number of North America's largest cannabis brands, a true testament to the operational excellence of 48North's Good:House," continued Alison.

Further, the Company is pleased to announce the promotion of Charles Vennat to the role of President.

Selected Financial Information

All amounts are expressed in Canadian dollars

	3-months ended December 31, 2019	6-months ended December 31, 2019
Revenue	\$1,808,027	3,402,748
Net loss	\$6,161,177	\$3,919,704
Total assets	\$98,677,592	\$98,677,592
Total liabilities	\$12,801,949	\$12,801,949
Cash on hand	\$32,615,745	\$32,615,745

Second Quarter 2020 Results Conference Call

When: February 21, 2020 at 8:30 AM (ET)

Dial-in number: 1-888-231-8191

The conference ID is 4563816 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 organically-grown, 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](#)); Quill, a leader in the manufacturing of beautifully designed, lifestyle-focused and sleek vape products ([quill.me](#)) and Sackville & Co, a leading U.S.-based cannabis brand focused on design-forward cannabis accessories and CBD products ([sackvilleandco.com](#)).

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