

**CANNAMERICA SIGNS LOI FOR PURCHASE AGREEMENT OF COLORADO OPERATOR**

**VANCOUVER, February 24, 2021 – CANNAMERICA BRANDS CORP. ("CannAmerica Brands" or the "Company") (CSE: CANA) (OTCQB: CNNXF)** is pleased to announce that on February 22, 2021, it had entered into a non-binding letter of intent (“LOI”) for the purchase of its Colorado licensee, Arsenal Oils and Extracts ("Arsenal").

The Company has entered into a non-binding LOI with Arsenal Extracts to purchase 100% of the membership interests and assets of Arsenal for aggregate consideration, including performance incentives, of USD $2,000,000. Arsenal is expected to provide the Company with existing extraction contracts for wholesale customers of distillate and other cannabis oils. The current facility has the capacity to produce up to 10,000 liters of cannabis distillates per year, which the Company intends to utilize for expanding its branded lineup of products in Colorado, as well as wholesale bulk oil sales.

Arsenal has multiple brands of vaporizer cartridges, including Anointed and Lo-Hi, with current sales exceeding $1million per year into retailers across the state. The Company intends to continue the sales of Arsenal’s branded products and introduce its own additional brand of concentrate products called LiveLabs into the Colorado marketplace with the goal of increasing both its product lines and revenues in the state of Colorado.

The existing management team at Arsenal consists of highly experienced operators that are expected to continue to manage the extraction facilities and sales and distribution across Colorado. The Company expects to expand into larger space to accommodate the multiple brands and product lines that will be produced by combining the two companies. The Arsenal team includes:

* Rainbow Coleman, Co-Founder and CEO, specializes in the operations and setup of multiple platforms of extraction and techniques. Mr. Coleman manages the production of oils, refinement, and the production of products manufactured and distributed from the Arsenal facility.
* Adam Carson, Co-Founder and COO, specializes in the marketing, sales, and distribution of products across Colorado.

Subject to Board approval, stock exchange approval and completion of satisfactory due diligence, the Company intends to enter into a definitive purchase agreement on or before April 23, 2021. Consideration for the acquisition consists of:

* 100% asset purchase of the Seller for $2,000,000 in a structured purchase combination of 70% in shares and 30% in cash.
* Existing management will remain in place.
* All licenses, leases, infrastructure, assets, brands, and distribution are included.

Founded in 2016 in Colorado, Arsenal is a black-veteran-owned licensed cannabis manufacturer of infused products. The company currently produces wholesale cannabis oils and filled cannabis cartridges for sale and distribution into licensed cannabis retail under the brands of Lo-Hi and Anointed. In 2020, Arsenal entered into a licensing agreement with CannAmerica Brands Corp to produce its line of edible products for statewide wholesale distribution, with projected sales of $1.5 million in additional revenue based on current production space and capacity.

Dan Anglin, founder and CEO of CannAmerica Brands, stated “The Company is excited to be bringing the expertise of the management of Arsenal Oils and Extracts into the Company as we expand our business model into direct operations across the country. The Company is well positioned to manage the expansion of the operations of a Colorado manufacturing business and position the brands under its control into market leaders in the state. In the last six months, management and the Board of Directors reviewed the current business model of royalty licensing with operators in multiple markets and created a new strategy to expand the Company’s assets into direct ownership of operations of its licensing partners for increasing its revenue streams while also focusing on increasing the direct management of the operations for expansion in the market.”

Anglin continued: “The Company is now laser focused on building the brands in existing and future markets through the direct operational management of businesses like Arsenal’s to expand the number brands under its control. The timing is right for a shift of focus from a low-overhead supply chain and marketing strategy to an operational strategy of managing the business directly for increased opportunities.”

For a more complete business and financial profile of the Company, please view the Company's website at [www.cannamericabrands.com](http://www.cannamericabrands.com) and documents posted under the Company’s profile on [www.sedar.com](http://www.sedar.com/).

For further information please contact the Company at info@cannamericabrands.com.

On Behalf of the Board,

Dan Anglin

CEO and Director

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**About CannAmerica Brands Corp.**

CannAmerica is a U.S. Marine Corps veteran founded and operated portfolio of cannabis brands with licensing agreements in the states of Colorado, Nevada, Oklahoma , Massachusetts and the Country of Canada. The Company aims to maximize the value of its brands by employing strong brand management teams, marketing and licensing the brands through various distribution channels, including dispensaries, wholesalers and distributors, in the United States and internationally. The Company's core strategy is to enhance and monetize the global reach of its existing brands, and to pursue additional strategic acquisitions to grow the scope and diversity of its brand portfolio. For more information, please visit [www.cannamericabrands.com](http://www.cannamericabrands.com).

*Neither the Canadian Securities Exchange nor its Regulation Services Provider (as that term is defined in the policies of the Canadian Securities Exchange) accepts responsibility for the adequacy or accuracy of this release.*

**Forward-Looking Statements**

This news release contains "forward-looking information" within the meaning of applicable securities laws.  All statements contained herein that are not clearly historical in nature may constitute forward-looking information. In some cases, forward-looking information can be identified by words or phrases such as "may", "will", "expect", "likely", "should", "would", "plan", "anticipate", "intend", "potential", "proposed", "estimate", "believe" or the negative of these terms, or other similar words, expressions and grammatical variations thereof, or statements that certain events or conditions "may" or "will" happen, or by discussions of strategy.

Readers are cautioned to consider these and other factors, uncertainties and potential events carefully and not to put undue reliance on forward-looking information. The forward-looking information contained herein is made as of the date of this press release and is based on the beliefs, estimates, expectations and opinions of management on the date such forward-looking information is made. The Company undertakes no obligation to update or revise any forward-looking information, whether as a result of new information, estimates or opinions, future events or results or otherwise or to explain any material difference between subsequent actual events and such forward-looking information, except as required by applicable law.