



CANNAMERICA PROVIDES CORPORATE UPDATE

VANCOUVER, January 12, 2022 – CANNAMERICA BRANDS CORP. ("CannAmerica Brands" or the "Company") (CSE: CANA) (OTCQB: CNNXF) is pleased to provide a corporate update on the Company's activities.

During the last year, the Company has focused on increasing its Colorado gummy sales to pre-pandemic (2019) levels. Through the planned Merger and Acquisition of the licensed partner, Arsenal Oils and Extracts, LLC ("Arsenal") at the end of 2021 (see news releases dated December 16 and December 22, 2021) and the management agreement in place since January 1, 2022, CannAmerica Brands Corp. will now capture the revenues of all Arsenal's Colorado sales, including its additional brands of popular vape cartridges and CannAmerica edibles. Through controlling the management of the business in the transition and required regulatory approval period by all government agencies that control licensed cannabis operations and the CSE, the Company will create growth for the brand and the business with an increased focus on the promotion of all brands under the Company's control.

During the next quarter the Company intends to increase sales, create a focus on marketing current as well as new products and apply for a medical marijuana manufacturer of infused products license in Colorado. Arsenal currently has a recreational license in Colorado, by adding a medical license the Company projects an additional \$2 million in sales from the medical market in Colorado for 2022, bringing projected sales in Colorado to \$4.6 million annually resulting in annual gross profits of \$1,426,000, based on gross margins of 31%.

The Company also plans to acquire a larger building in Colorado in 2022, for manufacturing and additional extraction technologies to add to the Company's concentrates menu, as well as a large kitchen for expanding the Company's edible product lines and a beverage bottling line to introduce a variety of beverages, initially into the Colorado marketplace. The Company anticipates distributing the expanded product offerings into the other markets in which CannAmerica Brands operates as part of a two-year growth plan. The growth plan includes the acquisition of operators in multiple states, with assets including vertical integration of cultivation, manufacturing and retail dispensaries, in order to transform the business of the Company from a multi-state licensor to a multi-state operator.

The Board of Directors of the Company are focused on expanding the Board, the management team and operations by recruiting experienced professionals with national cannabis and hemp retail expertise to increase the Company's supply chain and increase distribution of the Company's branded products.

Mr. Dan Anglin, President and Chief Executive Officer commented "I am extremely proud of the accomplishments of the Company's personnel and licensing partners since founding the Company in 2015. There have been many challenges in the last two years. The largest impact of the pandemic for management has been the increased time it takes to accomplish the goals we set for the Company. The acquisition and management agreement with Arsenal gives the Company the momentum to begin working on additional business combinations to improve CannAmerica Brands market position and create true value for the stakeholders."

The Company is proposing to issue 3,000,000 Common Shares to certain directors, officers and consultants of the Company at a deemed price of C\$0.10 per share for services provided to the Company during 2021. These persons took severe salary cuts to sustain the Company through the drop in revenues as a result of the pandemic. The Common Shares are being issued at four times over the current market price.



The issuance of the Common Shares is subject to the approval of the Canadian Securities Exchange. All Common Shares issued will be subject to a four month hold period under applicable Canadian securities laws.

Additionally, the Company and Flower One Holdings Inc. have mutually terminated the Nevada licensing agreement as part of a settlement for licensing fees owed to CannAmerica Brands Corp.

For a more complete business and financial profile of the Company, please view the Company's website at www.cannamericabrands.com and documents posted under the Company's profile on www.sedar.com.

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

On Behalf of the Board,
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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, 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.

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



CANNAMERICA BRANDS

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.