

International Cannabrands Enters into Binding LOI with BioNeva Innovations of Carson City, LLC to Acquire Cultivation in Nevada

LOS ANGELES, CA / February 13, 2020 / International Cannabrands Inc. (CSE:INCB) (the "Company" or "INCB") is pleased to announce that it has signed a binding letter of intent ("**LOI**") with BioNeva Innovations of Carson City, LLC and other related asset holders, to acquire a fully-licensed cannabis cultivator and related assets located in Carson City, Nevada that includes an 8,250 ft² cannabis greenhouse.

Steve Gormley, CEO of the Company shared: *"My team and I are extremely pleased to be acquiring BioNeva. The addition of cultivation to our existing capabilities should contribute significantly to our earnings and should provide better EBITDA margins for our current and future brands."*

The LOI provides that the Company will purchase all issued and outstanding units of three entities, namely, BioNeva Innovations of Carson City, LLC ("**BioNeva**"), Sierra Superfoods, LLC ("**Sierra**") and DB3 Management, LLC ("**DB3**") in exchange for the issuance of 28,805,833 shares of the Company and a vendor take-back loan with a principal amount of USD\$3.25 million (the "**VTB Loan**"). The VTB Loan bears interest at the rate of 5% per annum and the principal amount is due and payable on 12/31/24. The VTB Loan is interest-free for the first two years, after which point interest will be payable quarterly through the issuance of shares of the Company at an issue price equal to the volume-weighted average trading price of the ICI shares for the 20 trading days prior to each quarterly interest payment date.

BioNeva is a cannabis cultivator located in Carson City, Nevada. BioNeva is fully operational and requires no additional capital for buildout. The facility is currently growing product and is expected to begin producing revenue towards the end of Q2 2020. The projected yield of the BioNeva facility is approximately 44kg (100 pounds) per month. BioNeva currently holds cultivation facility licenses for both medical and recreational marijuana issued by the State of Nevada. Its cultivation operations are conducted in an 8,250 ft² cannabis greenhouse facility situated on 2.03 acres of leased land near Carson City, NV. The greenhouse flowering canopy is 4,000 ft² and incorporates a highly efficient greenhouse roof glazing material, as well as auxiliary lighting systems that require minimal power consumption. The facility is currently managed by DB3. Sierra holds the hard assets and equipment associated with the BioNeva cultivation facility. DB3 currently manages the cultivation facility at Carson City as well as another unrelated cultivation facility under development in Washoe County, NV. DB3 derives revenue from its management of the Washoe facility of a minimum of USD\$15,000 per month (with potential for 30% of net profits). The Washoe facility has been designed in a 20,000 ft² greenhouse facility with the capacity for approximately 148kg (325 lbs) per month. The Washoe facility is still under construction but is expected to be operational in Q4 of 2020 and generating revenue by Q1 of 2021.

The LOI also provides for the following conditions:

- a due diligence condition in favour of both the Company and the vendor parties;
- receipt of all necessary regulatory and third party approvals; and
- the preparation and execution of definitive agreements.

Closing of the acquisition is expected to occur on or before February 29, 2020.

While the acquisition does not constitute a related party transaction for the purposes of Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions*, Bob Yosaitis, a director of the Company holds a 25.3% interest in the units of BioNeva, a 25.3% interest in Sierra and a 40% interest in DB3. Mr. Yosaitis abstained from voting in connection with the approval of the transactions.

Bob Yosaitis, a director of the Company and a holder of BioNeva, Sierra and DB3, added: *“My partner and I believe in the corporate strategy and growth of INCB and have offered favorable deal terms reflective of our confidence in INCB’s near and long-term objectives.”*

Dan Larkin, a principal of BioNeva, Sierra and DB3 commented: *“We have been impressed with the strategy and vision behind International Cannabrand. This partnership further allows us to leverage this turnkey facility and to expand the INCB brand and product offerings made available in Nevada.”*

Steve Gormley, concluded: *“As we’re seeing the effects of a seismic downturn in the cannabis sector, now is the time to pick up viable assets that still have significant enterprise value and can be bought at a massive discount. This acquisition falls squarely into the Company’s corporate development strategy of acquiring select, highly-profitable value chain investments to facilitate brand growth, enhance margins and bolster cash flow.”*

About International Cannabrand

International Cannabrand is a CBD and cannabis-focused brand portfolio, leveraging the potential of the plant by offering best of breed products that naturally complement today’s consumer lifestyles. The Company’s mission is to build and market a diversified portfolio of cannabis and CBD brands, with strategic manufacturing and distribution partnerships to support better EBITDA and margins. ICI markets products with THC content where that practice has been legalized at the state level through either medicinal or recreational use. ICI also markets products containing CBD in the US and internationally. The Company believes as the legal cannabis and CBD markets evolve, high-quality, unique products will increasingly capture market share and provide a valuable platform for growth.

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Disclaimer concerning Forward-looking Statements

Certain statements included herein constitute "forward-looking statements" relating to the closing of the acquisition of BioNeva and related entities, within the meaning of applicable securities laws. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by management at this time, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Investors are cautioned not to put undue reliance on forward-looking statements. Additional risks and uncertainties regarding the Company are described in its publicly-available disclosure documents filed by the Company on SEDAR (www.sedar.com). The forward-looking statements contained in this news release represent the Company's expectations as of the date of this news release, or as of the date they are otherwise stated to be made, and subsequent events may cause these expectations to change. Except as required by law, the Company does not intend, and undertakes no obligation to update any forward-looking statements to reflect, in particular, new information or future events.

SOURCE: International Cannabrands Inc.