

Stillcanna Signs Definitive Agreement to Acquire Sativa Group PLC of the United Kingdom

Company Also Implements its 2020 European Agricultural Initiatives and Novel food Application

Vancouver, British Columbia – (Accesswire) – June 3, 2020 – Stillcanna Inc. (OTC:SCNNF) (CSE:STIL) (FRANKFURT:A2PEWA) ("**STIL**" or the "**Company**"), is pleased to announce that it has signed a definitive agreement (the "**Definitive Agreement**") to acquire Sativa Group PLC, one of the United Kingdom's (the "**UK**") first medical Cannabis Companies (the "**Proposed Transaction**").

Further to the announcements made on 21 April 2020 and 20 May 2020, the boards of directors of Stillcanna Inc. ("**Stillcanna**") and Sativa Group Plc ("**Sativa**") are pleased to announce that they have reached agreement on the terms of a recommended share for share exchange offer to be made by Stillcanna for the entire issued and to be issued share capital of Sativa (the "**Offer**").

The Stillcanna shares have been halted from trading on the CSE with effect from market open on 22 April 2020 pending completion of the Offer, when the combined group will resume trading under its current issuer name, Stillcanna Inc. In addition, Stillcanna intends to publish a filing statement later this month in respect of the acquisition, which will be available on SEDAR (www.sedar.com), under Stillcanna's existing issuer profile.

Completion of the Proposed Transaction will be subject to Stillcanna obtaining the approval of the CSE, as well as the approval of a majority of Stillcanna shareholders at the Stillcanna shareholder meeting to be held as soon as possible pursuant to the policies of the CSE. Within the next day required documentation will be on Stillcanna's website at www.stillcanna.com and on Sativa's website at www.sativagroup.co.uk.

Sativa's and Stillcanna's beliefs and visions for the Cannabis industry are aligned, and both companies feel strongly that only a fully integrated seed to consumer business will have the pricing, products, and stability to meet the cannabis market demand in the medium term.

The Offer is a share for share exchange offer at a ratio of approximately 0.33507 (the "**Exchange Ratio**") new Stillcanna shares in exchange for each share of Sativa. The Exchange Ratio attributes an implied value for the entire issued share capital of Sativa of approximately £10,409,022 (based on the closing price of CAD0.095 per Stillcanna Share on 21 April 2020).

Following completion of the Proposed Transaction, it is intended that the Stillcanna Board will be made up of 6 directors. This will be comprised of Jonathan Wearing as Non-Executive Chairman (Sativa's existing Non-Executive Chairman), Henry Lees-Buckley as Chief Executive Officer (Sativa's existing Chief Executive Officer) and Joseph Colliver as Chief Financial Officer (Sativa's existing Chief Financial Officer), and

Non-Executive Directors consisting of Angus Kerr, Mark Blower (each non-executive directors of Sativa) and Jason Dussault (Stillcanna's existing Chief Executive Officer). Jeremy Thomas (Sativa's existing Non-Executive Deputy Chairman) has elected to step down from the Board of Sativa and will continue to provide advice on strategy and growth as a consultant to the combined group. Each of Shae de Jaray, Bill MacDonald and Warren Robinson will step down as directors of Stillcanna. However, it is anticipated that they shall continue to provide support to the Stillcanna Board going forward, as consultants. Anne Tew (Sativa's existing Company Secretary) will perform the role of Corporate Secretary of the combined group.

Stillcanna will continue to trade, or otherwise be quoted on the CSE, OTC and FSE following completion of the Proposed Transaction and trading in Stillcanna shares is expected to resume following completion expected in August 2020. In addition, Stillcanna intends to list the Stillcanna Shares on the AQSE on or shortly after the closing of the Proposed Transaction in order to maintain access to the AQSE for shareholders of the combined group. Admission for trading on the AQSE is subject to Stillcanna satisfying the regulatory requirements of the AQSE.

"Trust is the most important commodity a brand must procure and maintain to be successful," stated Jason Dussault CEO of Stillcanna, "this is especially crucial in a nascent sector such as CBD wellness. The merger of the Sativa Group Plc and Stillcanna Inc. will secure this commodity through the stewardship of this special cannabinoid from seed through to cultivation and extraction, and now testing, bottling and distribution."

"We are very excited about the combination of the Sativa Group PLC and Stillcanna Inc. This creates a true European "seed to consumer" CBD wellness and medicinal cannabis group; cultivating and extracting the highest quality CBD, through to developing and producing the highest quality finished consumer products. This integrated approach supported by optimized production capabilities and laboratory testing allows us to position our brands for strong sales growth not only in the UK but across Europe", comments Henry Lees-Buckley, CEO of the Sativa Group PLC.

Stillcanna is pleased to announce that it has begun its agricultural initiatives in Europe to secure a steady availability of hemp biomass for the Company's NEXUS extraction facility in Poland for 2020 and 2021.

This year the Company has taken a multi-pronged approach to its farming initiatives including planting on certified organic land. The Company's certified organic initiative could yield up to 100,000 kilos of premium organic hemp. Having a certified organic product allows Stillcanna to access a wider range of specialty customers.

Stillcanna along with its own agricultural efforts in Poland has agreements with multiple European based hemp farmers to assure the Company high CBD content EU compliant hemp biomass for 2020. All of the Company's own biomass will be farmed organically and follow Good Farming Practices. The Company anticipates processing a minimum of

18,000 kilos of biomass in its Polish facility every month but could double that amount should the market demand be there.

The Company's strategy of using its own farming complimented with agricultural partnerships is designed to assure the Company access to highest CBD content biomass available in Europe, while reducing agricultural risks.

The Company is also pleased to announce it has begun its Novel Food Application and has hired Global Regulatory Services of the UK, an award winning global consulting firm with a specialty in Novel Food applications. Stillcanna is ready to submit its active ingredients for both stability and toxicology. As required within certain EU markets Stillcanna intends to have its Novel Food Application validated prior to the March 2021 deadline and remain market compliant in 2021 and beyond.

"We continue to refine our agricultural initiatives to garner the best high CBD content hemp for the lowest costs available in Europe. Whether it's our own Polish farming or our agreements and cooperation with other farmers our plan will ensure a steady supply of hemp for our extraction facilities in Europe. We look forward to post COVID-19 and starting up manufacturing at scale in both Poland and Romania," commented Stillcanna CEO Jason Dussault.

About Sativa Group PLC

The Sativa Group PLC joined the UK's NEX market in March 2018 as the UK's first medicinal cannabis investment vehicle.

The business evolved to focus on the development of an operational business capitalizing on its first-mover advantage. This change transitioned the Company from an investment Company to an operating Company at the forefront of both the CBD wellness and medicinal cannabis sectors in the UK.

About Stillcanna Inc.

Stillcanna Inc. (CSE: STIL) www.stillcanna.com is a Canadian early-stage life sciences Company focused on the large scale manufacturing of CBD in Europe. The Company believes its proprietary intellectual property allows it to extract CBD at a lower cost. The Company has signed an initial extraction contract in Europe to be the exclusive extractor for Dragonfly Biosciences LLC, a United Kingdom-based supplier of CBD. The Company also recently completed the acquisition of Olimax NT SP. Z .O.O, a multi-generational hemp agricultural firm that is expected to increase the Company's market share in the European CBD industry.

On Behalf of the Board
Jason Dussault, CEO

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Neither the Canadian Securities Exchange nor its Market Regulator (as defined in the policies of the Canadian Securities Exchange) accept responsibility for the adequacy or accuracy of this release.

This news release contains certain "forward-looking information" within the meaning of applicable Canadian securities legislation and may also contain statements that may constitute "forward-looking statements" within the meaning of the safe harbor provisions of the United States Private Securities Litigation Reform Act of 1995. Such forward-looking information and forward-looking statements are not representative of historical facts or information or current condition, but instead represent only the Company's beliefs regarding future events, plans or objectives, many of which, by their nature, are inherently uncertain and outside of Stillcanna's control. Generally, such forward-looking information or forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or may contain statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "will continue", "will occur" or "will be achieved".

The forward-looking information and forward-looking statements contained herein include, but are not limited to information concerning the Definitive Agreement, the Proposed Transaction, the anticipated completion of the Proposed Transaction, the approval of the Proposed Transaction by the Canadian Securities Exchange and certain shareholder and regulatory requirements, the ability of the Company to meet the cannabis market demand in the medium term, the composition of the board following completion of the Proposed Transaction, the listing of the Company's common shares on the AQSE, the ability to secure a steady availability of hemp biomass for the Company's NEXUS facility, the Company's farming initiatives, whether the hemp biomass will be farmed organically, agricultural partnerships and the Company's readiness to submit its active ingredients for both stability and toxicology. Although Stillcanna believes that the assumptions and factors used in preparing, and the expectations contained in, the forward-looking information and statements are reasonable, undue reliance should not be placed on such information and statements, and no assurance or guarantee can be given that such forward-looking information and statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information and statements.

In particular, there is no guarantee that that the parties will successfully complete the Proposed Transaction on the terms contemplated herein or at all, that either will be satisfied with the results of their proposed due diligence, or that any required shareholder or regulatory approvals will be obtained. The forward-looking information and forward-looking statements contained in this news release are made as of the date of this press release, and Stillcanna does not undertake to update any forward-looking information and/or forward-looking statements that are contained or referenced herein, except in accordance with applicable securities laws.