



1933 Industries Provides an Update on its Nevada Hemp Processing Facility

The facility will position the Company as a market leader in one of the fastest growing segments in the cannabis industry

VANCOUVER, B.C., CANADA (January 22, 2020) – 1933 Industries Inc. (the “Company” or “1933 Industries”) (CSE: TGIF) (OTCQX: TGIF), a vertically-integrated and growth-orientated cannabis consumer packaged goods company, is pleased to provide a progress update regarding its hemp processing facility (“Lab”).

Phase 1

The Company has been diligently working with a team of engineers and chemists to develop a customized hemp extraction facility capable of producing isolated cannabinoids such as CBD, CBG, CBC and CBN, as well as full spectrum and broad spectrum oils without THC, at full scale while maintaining a significantly lower cost structure than other comparable hemp extraction facilities. The Lab is being designed to comply with existing and anticipated state and federal hemp manufacturing rules and GMP guidelines. The Company is taking necessary steps to ensure the long-term viability of the Lab and has undertaken a mandatory peer review of the proposed equipment as required by Clark County.

Project Scope and Expected Output

The Lab will be located adjacent to the Company’s current cultivation facility in Las Vegas. The 12,160 sq. ft. existing building has received the necessary approvals for new zoning and permitting for hazardous materials from County authorities and has secured an Industrial Hemp Handler Certificate from the Nevada Department of Agriculture (NDA) Industrial Hemp program. Permitting has been completed for fire and city inspections as well as H-3 hazard zoning.

The facility’s monthly processing capacity is estimated at approximately 68,000 kg. (150,000 lbs.) of hemp biomass to produce 5,000 kg of full spectrum oils or 4,500 kg of CBD isolate.

Design Benefits

The proprietary FDA level, state-of-the-art hemp extraction system has been designed to extract CBD oil with an average efficiency rate of 2.3 times greater than the current



industry standard, thereby cutting costs by at least 50 percent. The alcohol extraction process, coupled with a proprietary short chain/long chain liquid/liquid extraction customized system, has been designed by a team of engineers and chemists from FDA regulated facilities in the pharmaceutical, bioplastic and biofuel industries. The process has been thoroughly tested with positive results in, among other things, automation, the elimination of expensive chilling, recovery of all solvents and reducing the carbon footprint to approximately 12 times less than other facilities. The Company's proprietary extraction system is projected to produce the same quality of CBD oil for less than half of the \$1.50/g average extraction cost for the hemp industry.

The Lab will also have the ability to deliver broad spectrum oils and distillates consistently without tetrahydrocannabinol (THC), the principal psychoactive constituent of cannabis and one of over 100 cannabinoids identified in the plant. Processing will ensure the THC content registers under the current 0.3 percent legal limit. The Lab has been uniquely designed to process live plants, and the Company will have the ability to formulate cannabinoid content into its own oil compounds and customize its own blends.

Phase 2 Construction and Installation

While the Company expects that the required peer review will take four weeks to complete, electrical and mechanical systems are being prepared in order to ready the building to receive the new equipment. Tenant improvements of the existing building and all phases of construction will require approval by Clark County. The project will take anywhere from 4 to 8 months to complete, based on the response times and approvals by the city and county.

Management Commentary

Company CEO, Mr. Chris Rebentisch, remarked, "We have taken the necessary time to plan, prepare and commit the necessary capital and resources to execute this project which we believe will bring higher returns in the future. The Lab represents a strategic investment to produce our own raw materials and control the quality of the extracts needed to manufacture our Canna Hemp™ wellness line of CBD products. The Lab will also enable us to control our production costs and better position our price points in any market conditions. We are one of a few facilities in Nevada that will be processing hemp at this scale and the end product will be able to be sold across the United States."

About 1933 Industries Inc.

1933 Industries is a vertically-integrated, growth-orientated company, focusing on the cultivation and manufacturing of cannabis consumer branded goods in a wide range of product formats. Operating through two subsidiaries, the Company controls all aspects of the value chain with cultivation, extraction, processing, and manufacturing assets



supporting its diversified portfolio of cannabis brands and licensing partners.

Our award-winning proprietary portfolio of brands include: AMA flower and AMA concentrates as well as CBD-infused Canna Hemp™, Canna Hemp X™, and Canna Fused™ products. Partners under licensing agreements include: Birdhouse Skateboards™, Blonde™ Cannabis, Bloom™, Denver Dab Co., Grizzly Griptape, OG DNA Genetics, The Pantry Company, PLUGplay, and The Original Jack Herer®.

The Company owns 91% of Alternative Medicine Association, LC (AMA), and 100% of Infused MFG LLC. 1933 Industries continues to focus its operations in the licensed US cannabis industry as a multi-state operator in Nevada, Colorado and California.

About Canna Hemp™

Canna Hemp™ CBD Relief Cream was named “Best Topical” by Leafy’s Best in State: The Top State Specific Products and Experiences of 2018.

<http://www.cannahemp.com>

<https://www.leafly.com/news/strains-products/best-in-state-2018-nevada-cannabis>

About Canna HempX™

Canna Hemp X™ was named “Best Topicals for Pain” by Herb’s Guide to the Best Cannabis Products on the Planet. Canna Hemp X™ is a CBD sports recovery cream for athletes, bridging the gap between recovery and top performance.

<http://www.cannahempx.com>

<https://herb.co/learn/best-cannabis-products/>

For further information please contact:

Alexia Helgason, IR and Corporate Communications Director

604-674-4756 (ext. 1)

alexia@1933industries.com

Chris Rebentisch, CEO & Director

604-674-4756 (ext. 1)

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forward-looking statements. Although the Company believes that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because the Company can give no assurance that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. These statements speak only as of the date of this news release. Actual results could differ materially from those currently anticipated due to a number of factors and risks including various risk factors discussed in the Company's disclosure documents, which can be found under the Company's profile on www.sedar.com. 1933 Industries undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by law.