



CannAmerica Signs LOI to Build CBD Facility in Mexico

VANCOUVER, March 12, 2019 /CNW/ - **CANNAMERICA BRANDS CORP. ("CANA" or the "Company") (CSE: CANA) (OTCQB: CNNXF)** is pleased to announce that it has entered into a binding letter of intent ("LOI") to create a joint venture (the "JV") with Sericea Labs S.A. de C.V. ("SERICEA") and CBDistribution Company Ltd. ("CBDC") with the intention of building a facility in Mexico for importing and warehousing licensed CBD products as well as CBD oils and tinctures destined for refining.

When and if permitted under Mexican laws, the Company, SERICEA and CBDC (the "JV Parties") also plan on acquiring, importing and cultivating industrial hemp biomass for extraction into CBD isolate to be used for multiple product lines which utilize CBD.

Subject to Board approval from the Company and completion of satisfactory due diligence, the JV Parties intend to enter into a definitive joint venture agreement (the "JV Agreement") on or before April 30, 2019. Under the LOI, it is anticipated that each of the JV Parties will receive the following portions of the shares in the JV in exchange for the contributions of each of the JV Parties as follows:

1. 40% to SERICEA in exchange for performing all necessary steps in obtaining the applicable licenses in Mexico represented in the joint venture for: (i) importing and warehousing licensed products (as well as CBD oils and tinctures) destined for refining; (ii) cultivation; and (iii) acquiring, importing and cultivating hemp biomass for extraction of CBD;
2. 40% to CANA in exchange for contributing operational expertise, sourcing the property, providing equipment for refining and extracting product, providing exclusive licenses for products destined to the Mexican market and establishing a written intellectual property licensing agreement of use exclusive to the JV for all current and future technology for oil extraction within the country of Mexico; and,
3. 20% to CBDC in exchange for sourcing of hemp biomass, branding, marketing and the sale of the finished product, including but not limited to CBD isolate in bulk.

Additionally, the Company agrees to contribute the following on the date the joint venture receives its Single Cannabis Registry in Mexico:

- CANA agrees to issue to the shareholders of SERICEA such number of common shares in its share capital ("Consideration Shares") equal to CDN\$2,000,000 at a per share price equal to the volume weighted average price of such shares on the Canadian Securities Exchange over a 15-day period ending on the day such Consideration Shares are required to be issued ("15 day VWAP"); and
- On the date the JV's cumulative gross sales of all hemp derived oil and other imported and licensed products exceeds USD\$5,000,000, CANA agrees to issue to the shareholders of SERICEA such number of Consideration Shares equal to \$2 million at a per share price equal to the 15-day VWAP.

"We are very pleased to enter the Latin American region with our partners in Mexico. This marks an exciting step for our brand's expansion in the international CBD marketplace," said Dan Anglin, CEO and Co-Founder of CannAmerica. "Coupled with our partnership in Europe, global distribution of CannAmerica products is our key focus in 2019."

"SERICEA Labs welcomes the opportunity to enter into this LOI that will help pave the way for CannAmerica CBD licensed products to enter into the emerging Mexican cannabis market, with the same quality and processing standards expected by their customers", expressed the Board of Directors of SERICEA Labs S.A. de C.V. in an authorized statement.

For more information, please visit www.cannamericabrands.com.

On Behalf of the Board,

Dan Anglin
CEO and Director
(314) 495-4589

About CannAmerica Brands Corp.

CannAmerica Brands is a U.S. marine veteran founded and operated portfolio of cannabis brands with licensing agreements in the states of Colorado, Nevada and Maryland. 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.

About SERICEA Labs S.A. de C.V.

SERICEA LABS S.A. de C.V. is a corporation established by a team of talented global experts in the Microbiology, Government/Regulatory, Corporate Finance and International Business Development fields. SERICEA LABS value proposition is to offer customers, partners and investors: a "Secure Operational, Regulatory & Commercial Platform" for global companies to "engage early on" in Mexico's emerging cannabis sector. For more information, please visit www.sericealabs.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.

Cautionary Note Regarding Forward-Looking Statements: This release includes certain statements and information that may constitute forward-looking information within the meaning of applicable Canadian securities laws or forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995. All statements in this news release, other than statements of historical facts, including statements regarding future estimates, plans, objectives, timing, assumptions or expectations of future performance, including the anticipated legalization of the cultivation of industrial hemp in Mexico, the intention of the Company and the other JV Parties to build a facility in Mexico for importing and warehousing CBD products, the intention of the JV Parties to begin acquiring, importing and cultivating industrial hemp biomass, the intention of the JV Parties to enter into the JV Agreement by the anticipated deadline, if at all, and the anticipated contributions of the JV Parties under the LOI and the JV Agreement, are forward-looking statements and contain forward-looking information. Generally, forward-looking statements and information can be identified by the use of forward-looking terminology such as "intends" or "anticipates", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "should", "would" or "occur". Forward-looking statements are based on certain material assumptions and analysis made by the Company and the opinions and estimates of management as of the date of this press release, including that the cultivation of industrial hemp in Mexico will be legalized, the ability of the JV Parties to build a facility in Mexico for importing and warehousing CBD products, the ability of the JV Parties to begin acquiring, importing and cultivating industrial hemp biomass, the ability of the JV Parties to enter into the JV Agreement by the anticipated deadline, if at all, and the ability of the JV Parties to make the anticipated contributions under the LOI and the JV Agreement, . These forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking statements or forward-looking information. Important factors that may cause actual results to vary, include, without limitation, that the cultivation of industrial hemp in Mexico will not be legalized, the inability of the JV Parties to build or complete the anticipated facility in Mexico, the inability of the JV Parties to import and warehouse CBD products, the inability of the JV Parties to begin acquiring, importing and cultivating industrial hemp biomass, the inability of the JV Parties to enter into the JV Agreement by the anticipated deadline, if at all, and the inability of the JV Parties to make the anticipated contributions under the LOI and the JV Agreement. Although management of the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements or forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should

not place undue reliance on forward-looking statements and forward-looking information. Readers are cautioned that reliance on such information may not be appropriate for other purposes. The Company does not undertake to update any forward-looking statement, forward-looking information or financial out-look that are incorporated by reference herein, except in accordance with applicable securities laws.

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CNW 07:00e 12-MAR-19