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National Access Cannabis Corp. Announces Financing Transactions

- Commitments of up to \$40 million in shares from three leading licensed producers, plus a brokered financing for up to an additional \$35 million in convertible debentures

OTTAWA, ON October 23, 2018: National Access Cannabis Corp (TSXV: META) ("**NAC**" or the "**Company**"), is pleased to announce that it has entered into an agreement with a syndicate of agents led by Cormark Securities Inc., which have agreed to act as agents for and on behalf of the Company, on a best efforts agency basis, without underwriter liability, in connection with a proposed private placement (the "**Offering**") of up to \$35 million in special warrants of the Company ("**Special Warrants**") which will entitle the holders to receive 8% senior secured convertible debentures of the Company ("**Debentures**").

In addition, the Company announced that three of Canada's top licensed producers (the "**LPs**") have agreed to subscribe for an aggregate of up to \$40 million in common shares of NAC ("**Common Shares**") in three tranches. Pursuant to the Subscription Documents (as defined below), each LP has agreed to participate in the Private Placement for an aggregate amount of either \$10,000,000 or \$15,000,000 of Common Shares in two or three tranches, subject to the terms and conditions of the Subscription Documents, including the achievement of future retail expansion milestones (the "**LP Financing**").

The initial tranche of up to \$15 million of Common Shares is expected to close on or about October 26, 2018 at a price of \$0.91 per Common Share. In order to participate in the LP Financing, NAC and each LP will enter into a master investment agreement and a subscription agreement (collectively, the "**Subscription Documents**") committing to, among other things, the terms of the LP Financing described below. NAC may also decide to include additional leading LPs, for up to an aggregate of \$55 million. Each of the LPs are expected to be minority shareholders of NAC upon closing of the LP Financing.

"The Investment by three of Canada's leading LPs is both a validation of NAC's retail recreational and medical cannabis pharmacy partnership model, and an acknowledgement that we believe that the products produced by these organizations will be successful in the Canadian retail marketplace," said Mark Goliger, CEO of NAC. "The proceeds of the LP Financing and Offering will fully finance NAC's immediate growth plan and allow it to continue to build-out its network of retail locations over the next two years to establish itself as one of the largest players in both medical and recreational retail, in Canada."

The Offering

Each Special Warrant will entitle the holder to receive, subject to adjustment in certain instances and without payment of any further consideration, one Debenture, each with a deemed issue price of \$1,000 per Debenture.

Special Warrants that have not been previously exercised will be deemed exercised on behalf of, and without any required action on the part of, the holders on the earlier of: (i) the third business day after the date on which a final receipt ("Final Receipt") has been issued by the securities regulatory authorities in the provinces in which the Special Warrants are sold, for a final prospectus (the "**Final Prospectus**") qualifying the Debentures issuable upon exercise of the Special Warrants; and (ii) 4:59 p.m. (Toronto time) on the date (the "**Expiry Date**") which is four months and a day following the closing date of the Offering (the "**Closing Date**"). In the event that a Final Receipt for the prospectus is not obtained prior to the date that is 45 days following the Closing Date, each Special Warrant shall thereafter be exercisable into 1.1 Debentures (in lieu of 1 Debenture).

The Debentures will be senior secured obligations of NAC and will bear interest at a rate of 8.00% per annum, payable semi-annually in arrears on May 31 and November 30 of each year, commencing May 31, 2019. The Debentures will be convertible at any time at the option of the holders into Common Shares at a conversion price of \$1.08 per Common Share (the "**Conversion Price**"). The Debentures will mature on November 30, 2021.

NAC has also granted the agents an option to sell up to an additional \$5.25 million of Special Warrants, on the same terms and conditions, exercisable in whole or in part, at the agents' discretion, up to the closing of the Offering.

NAC will have the right at any time beginning 4 months and one day following the Closing Date to force the conversion of the principal amount of the then outstanding Debentures at the Conversion Price on not less than 30 days' notice should the daily volume weighted average trading price of the Common Shares be greater than \$1.57 for any 10 consecutive trading days. Holders converting their Debentures under a mandatory conversion will receive unpaid interest thereon for the period from the date of the latest interest payment date to, and including, the maturity date.

The LP Financing

Pursuant to the Subscription Documents, each LP will agree to participate in the Private Placement for an aggregate amount of either \$10,000,000 or \$15,000,000 of Common Shares in two or three tranches, subject to the terms and conditions of the Subscription Documents.

The second tranche will occur when NAC has been granted approval for an aggregate of 50 cannabis retail locations from the applicable regulatory authorities in the Provinces of Canada but before October 26, 2019, NAC may deliver a written notice to each of the LPs (the "**First Milestone Notice**") requiring each LP to purchase and subscribe for \$5,000,000 of additional Common Shares at a price per Common Share equal to the 15 day volume weighted average trading price of the Common Shares on the TSXV for the last 15 trading days of the calendar month immediately preceding the date of the First Milestone Notice, or if such trading price is lower than the maximum permitted discount for the second tranche of the LP Financing, the maximum permitted discount for the issuance of the Common Shares under TSXV policies.

The third tranche will occur when NAC has been granted approval for an aggregate of 100 cannabis retail locations from the applicable regulatory authorities in the Provinces of Canada but before October 26, 2020, NAC may deliver a written notice to the two of the three LPs (the "**Second Milestone Notice**") requiring such LPs to purchase and subscribe for \$5,000,000 of additional Common Shares at a price per Common Share equal to the 15 day volume weighted average trading price of the Common Shares on the TSXV for the last 15 trading days of the calendar month immediately preceding the date of the Second Milestone Notice, or if such trading price is lower than the maximum permitted discount for the third tranche of the LP Financing, the maximum permitted discount for the issuance of the Common Shares under TSXV policies.

Closing and Use of Proceeds

The LP Financing is scheduled to close on or about October 26, 2018 and the Offering is scheduled to close on or about November 13, 2018. The Company intends to use the net proceeds of the combined financings to repay existing debt, store footprint expansion, strategic growth initiatives and general corporate purposes. The LP Financing and Offering are subject to certain conditions including, but not limited to, the receipt of all necessary approvals including the approval of the TSX Venture Exchange and any applicable security regulatory authorities.

The Common Shares issued in connection with the LP Financing and the Special Warrants issued pursuant to the Offering will be subject to a statutory hold period of four months plus one day from the date of completion of the LP Financing or Offering, as applicable, in accordance with applicable securities legislation.

The securities to be offered have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of such Act. This news release is not an offer of securities for sale in the United States and shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

About National Access Cannabis Corp.

NAC is a best practices leader in delivering secure, safe, and responsible access to legal cannabis in Canada. Through its Canada-wide network of medical cannabis clinics, partner pharmacies, NAC Bio's clinical research division, NewLeaf Cannabis™ and Meta Cannabis Supply Co.™ recreational cannabis retail stores, NAC enables patients and the public to gain knowledge and access to Canada's network of authorized Licensed Producers of cannabis. NAC is listed on the TSX Venture Exchange under the symbol (TSXV: META).

Cautionary Statements

This news release contains forward looking statements and forward-looking information within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "continue", "estimate", "objective", "ongoing", "may", "will", "project", "should", "believe", "plans", "intends" and similar expressions are intended to identify forward looking statements or information. Forward-looking statements and information in this news release includes, but is not limited to, closing of the Offering and the LP Financing and the timing thereof, the size of the LP Financing and Offering, the closing of the subsequent tranches of the LP Financing and the ability to complete the related milestones, the use of proceeds of the Offering and LP Financing, the definitive terms of the Debentures, whether a prospectus qualifying the Debentures will be filed and receipted. Although the Company believes that the expectations and assumptions on which the forward-looking statements and information are based are reasonable, undue reliance should not be placed on the forward-looking statements and information because the Company cannot give any assurance that they will prove to be correct. Since forward looking statements and information address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results and developments may differ materially from those that are currently contemplated by these statements depending on, among other things, risks relating to the ability to obtain or maintain licenses to retail cannabis products; future legislative and regulatory developments involving cannabis; inability to access sufficient capital from internal and external sources, and/or inability to access sufficient capital on favourable terms; the labour market generally and the ability to access, hire and retain employees; and the medical and potential cannabis industry in Canada generally. The Company cautions that the foregoing list of risks and uncertainties is not exhaustive.

The forward-looking statements and information contained in this news release are made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward looking statement or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

NEITHER TSX VENTURE EXCHANGE NOR ITS REGULATION SERVICES PROVIDER (AS THAT TERM IS DEFINED IN THE POLICIES OF THE TSX VENTURE EXCHANGE) ACCEPTS RESPONSIBILITY FOR THE ADEQUACY OR ACCURACY OF THIS RELEASE.

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