

National Access Cannabis Corp. Agrees to Acquire 19.9% of BC-Based Retail Cannabis Operator, Sicamous Trading Company

TORONTO, July 15, 2019 /CNW/ - National Access Cannabis Corp. ("NAC" or "the Company") (TSXV: META), is pleased to announce that it has entered into a conditional share purchase agreement (the "**Share Purchase Agreement**") through Meta West Coast Ltd., a wholly-owned subsidiary of NAC, to acquire 19.9% of Sicamous Trading Company Incorporated ("**STC**") from the shareholders of STC (collectively, the "**Vendors**").

Highlights

- Further solidifies NAC's position as the Canadian retail cannabis leader¹ – adds British Columbia ("**BC**") exposure to the market in addition to the Company's 30 current licensed locations in Alberta, Saskatchewan and Manitoba.
- STC currently has one retail cannabis store licence application in process with the British Columbia Liquor and Cannabis Regulation Branch (the "**LCRB**").
- STC plans to add more locations over the next 12 months, building on the foundation of its first location in well-trafficked vacation spot, Sicamous BC, subject to receipt of required retail cannabis store licences.
- NAC has entered into a management agreement with STC whereby NAC will provide certain store development and operational services to support STC in its retail store development in exchange for management fees calculated as a set percentage of STC's store-level EBITDA for its first store and every successive store opened.

¹ NAC is Canada's largest cannabis retailer according to provincial licensing statistics

Mark Goliger, CEO of NAC commented, "We have been telling shareholders for some time that we see a significant opportunity to leverage NAC's deep operational expertise into accretive arrangements with other cannabis operators. NAC shareholders are expected to benefit from the Company's ownership stake in these innovative organizations, a high margin management fee income stream as well as incremental purchasing power as we continue to grow our leading Canadian network. I would like to personally welcome the Sicamous team to the NAC platform. Our team is excited about STC's first location in this resort town and to supporting the roll-out of additional locations."

Pursuant to the Share Purchase Agreement, NAC will acquire 199,000 class "A" common shares (the "**Purchased Shares**") in the capital of STC, being 19.9% of the issued and outstanding shares in the capital of STC, in exchange for \$200,000, payable by the issuance of common shares of NAC at a price of \$0.53 per share (the "**Consideration Shares**") to be distributed pro rata among the Vendors (the "**Transaction**"). Upon execution of the Share Purchase Agreement, the Purchased Shares and the Consideration Shares are to be delivered to Alliance Trust Company, as escrow agent (the "**Escrow Agent**"), to be held in escrow until such time that STC acquires a retail cannabis store licence from the LCRB and the LCRB has approved the transfer of the Purchased Shares to NAC.

No commission, finder's fee or similar payment (whether in the form of cash, securities or an interest in assets) were paid by the Company in connection with the Transaction.

In connection with the closing of the Transaction, Consideration Shares will be issued to an Insider of the Company (as such term is defined under the policies of the TSX Venture Exchange). The participation of the Insider in the Transaction constitutes a "related party transaction" within the

meaning of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"). The Company is relying upon exemptions from the formal valuation and minority approval requirements of MI 61-101 based on a determination that the fair market value of the Transaction, insofar as it involves the related parties, does not exceed 25% of the market capitalization of the Company. The Company was not in a position to file a material change report more than 21 days in advance of the closing of the Transaction, as the participation of the related parties was not confirmed at that time. The Transaction will not materially impact the percentage of securities of the Issuer held by the Insider and the Transaction will not have a material effect on the Company's business and affairs.

About National Access Cannabis Corp.

NAC is Canada's largest recreational cannabis retailer by provincial store count. With a portfolio of 28 retail locations nationwide, NAC is the leader in secure, safe and responsible access to legal recreational cannabis in Canada. Through its Canada-wide network of Meta Cannabis Supply Co.™ and NewLeaf Cannabis™ recreational cannabis retail stores and NAC Medical's cannabis clinics and pharmacy partnerships, NAC enables the public and registered patients to gain knowledgeable access to Canada's network of authorized Licensed Producers of cannabis. NAC is listed on the TSX Venture Exchange under the symbol (TSXV: META).

For more information, visit:

www.nationalaccesscannabis.com

www.metacannabis.com

www.newleafcannabis.ca

www.nacbio.com

www.nacmedical.com

Neither the 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.

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. 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 licencing of a license by the LCRB and the approval of the transfer of the Purchased Shares by the LCRB, the ability to obtain or maintain licences to retail cannabis products; changes in STC's plan to add additional retail locations and STCs ability to obtain or maintain licenses to retail cannabis products; future legislative and regulatory developments in British Columbia; general business, economic, competitive, political and social uncertainties; the delay or failure to receive regulatory approvals; the competitive conditions of the cannabis industry; the competitive and business strategies of the Company; and the recreational and medical 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.

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