TSXV: LOVE.V OTCQB: LOVFF FRA: 8CB

CANARA BIOTECH INC. SECURES AN ADDITIONAL $10 MILLION IN NON-DILUTIVE CAPITAL WITH ITS LEAD CREDIT PROVIDER, BMO COMMERCIAL BANKING

MONTREAL, QUÉBEC – May 4, 2023 - Cannara Biotech Inc. ("**Cannara**" or the "**Company**") (TSXV: LOVE) (OTCQB: LOVFF) (FRA: 8CB), a vertically integrated producer of premium-grade cannabis and derivative product offerings at affordable prices with two mega facilities based in Québec spanning over 1,650,000 sq. ft., announced today that they have raised an additional $10 million of credit facilities from its lead bank, BMO Commercial Banking via a $5 million increase in its term loan facility and a $5 million increase in its revolving line of credit. Under the terms of the initial agreement that was announced on June 1, 2022, the credit facility included a three-year term loan for $45 million with an accordion for up to an additional $10 million and a $5 million line of credit. Other favorable terms as part of the original deal included a declining interest rate over time as the Company hits certain covenant thresholds and the ability to repay the facility without penalty at any time.

The new term loan proceeds will be used to fund the completion of the construction of a 44,950 sq. ft. building adjacent to the Valleyfield mega-facility, in an unlicensed area which has been pre-leased to a new non-cannabis tenant, creating an accretive real estate asset with incremental future cash flows. The additional amounts available under the expanded credit line will provide flexibility in working capital during this high growth stage of Cannara's development.

"An opportunity to maximize one of our assets currently not in use that will generate additional cash flow from a reputable tenant made this an easy decision," stated Nicholas Sosiak, Chief Financial Officer of Cannara. "We are pleased to secure this non-dilutive capital and appreciate the continued support from our tremendous partner, BMO Commercial Banking. This capital expenditure will generate long-term returns for Cannara, while simultaneously increasing the value of our asset base. As we continue to mature as a Company, and as the economic landscape continues to remain volatile, flexibility is of utmost importance to us, and the enhanced working capital position will allow us to move forward on our immediate and mid-term growth objectives without interruption as we remain committed to our goal of becoming the preferred cannabis producer in Canada," concluded Mr. Sosiak.

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About Cannara Biotech Inc.

Cannara Biotech Inc. (TSXV: LOVE) (OTCQB: LOVFF) (FRA: 8CB) is a vertically integrated producer of affordable premium-grade cannabis and cannabis-derivative products for the Québec and Canadian markets. Cannara owns two mega facilities based in Québec spanning over 1,650,000 sq. ft., providing the Company with 120,000kg of potential annualized cultivation output. Leveraging Québec's low electricity costs, Cannara's facilities produce premium-grade cannabis products at an affordable price. For more information, please visit cannara.ca.

Cautionary Statement Regarding "Forward-Looking" Information

This information release contains certain forward-looking information. Such information involves known and unknown risks, uncertainties and other factors that may cause actual results, performance, or achievements to be materially different from those implied by statements herein, and therefore these statements should not be read as guarantees of future performance or results. All forward-looking statements are based on the Company's current beliefs as well as assumptions made by and information currently available to it as well as other factors. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this press release. Due to risks and uncertainties, including the risks and uncertainties identified by the Company in its public securities filings, actual events may differ materially from current expectations. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.