



# CHRISTINA LAKE CANNABIS CORP

**INVESTOR PRESENTATION  
APRIL 2021**

CSE: CLC | OTCQB: CLCFF | Frankfurt: CLB  
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# CAUTIONARY

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**Forward-Looking Information** Certain statements contained in this presentation constitute forward-looking statements and forward-looking information (collectively, “forward-looking statements”). Such forward-looking statements relate to possible events, conditions or financial performance of the Company based on future economic conditions and courses of action.

All statements other than statements of historical fact are forward-looking statements. The use of any words or phrases such as “seek”, “anticipate”, “plan”, “continue”, “estimate”, “expect”, “may”, “will”, “project”, “predict”, “potential”, “targeting”, “intend”, “could”, “might”, “should”, “believe”, “will likely result”, “are expected to”, “will continue”, “is anticipated”, “believes”, “estimated”, “intends”, “plans”, “projection”, “outlook” and similar expressions are intended to identify forward-looking statements.

These statements involve known and unknown risks, assumptions, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes there is a reasonable basis for the expectations reflected in the forward-looking statements, however no assurance can be given that these expectations will prove to be correct and the forward-looking statements included in this presentation should not be unduly relied upon by investors. The forward-looking statements speak only as of the date of this presentation and are expressly qualified, in their entirety, by this cautionary statement.

In addition, the Company’s assessment of, and targets for, sales of cannabis and hemp-derived products, expansion of retail locations through which the Company’s products may be sold, expansion of the Company’s distribution channels, including overseas distribution, development of improvements to the Company’s products and related bioavailability technology, the isolation of additional cannabinoid products, annual revenue, and Adjusted EBITDA, are considered forward-looking statements.

The forward-looking statements and other forward-looking information are based on management’s opinions, estimates and assumptions in light of our experience and perception of historical trends, current trends, current conditions and expected future developments, as well as other factors that management currently believes appropriate and reasonable in the circumstances. Despite a careful process to prepare and review the forward-looking statements, there can be no assurance that the underlying opinions, estimates, and assumptions will prove to be correct.

For further details on the forward-looking statements included in this presentation, see “Forward-Looking Statements” and “Forward-Looking Statements relating to Growth Strategy.”

All of the forward-looking information contained in this presentation is expressly qualified by the foregoing cautionary statements. Investors should read the entire prospectus and consult their own professional advisors to ascertain and assess the income tax, legal, risk factors and other aspects of their investment in any securities of the Company.

**Non-IFRS Measures and Industry Metrics** This presentation makes reference to certain non-IFRS measures including key performance indicators used by management. These measures are not recognized measures under IFRS and do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement those IFRS measures by providing further understanding of our results of operations from management’s perspective.

Accordingly, these measures should not be considered in isolation nor as a substitute for analysis of the Company’s financial information reported under IFRS. The Company uses non-IFRS measures including “EBITDA” and “Adjusted EBITDA” which may be calculated differently by other companies. These non-IFRS measures and metrics are used to provide investors with supplemental measures of the Company’s operating performance and liquidity and thus highlight trends in its business that may not otherwise be apparent when relying solely on IFRS measures.

The Company also believes that securities analysts, investors and other interested parties frequently use non-IFRS measures in the evaluation of companies in similar industries. Management also uses non-IFRS measures and metrics, in order to facilitate operating performance comparisons from period to period, to prepare annual operating budgets and forecasts and to determine components of executive compensation.

Prospective investors should review the section entitled “Management’s Discussion and Analysis” in the prospectus for a discussion of the use of “EBITDA” and “Adjusted EBITDA” and reconciliations thereof to the most directly comparable IFRS measures.

# OUR VISION

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Christina Lake Cannabis Corp. is a premier producer of high-quality, low-cost, sun-grown cannabis flower, oil cannabinoids and hemp-based extracts and derivatives, serving domestic and international markets.

# INVESTMENT HIGHLIGHTS

## Location

CLC's outdoor production facility is in the heart of Canada's premier cannabis cultivation zone, with excellent natural light and climate conditions.

The unique 32-acre property provides for 20 acres of cultivation. CLC has acquired a 99-acre adjacent parcel of land and an option to purchase an additional 200 acres in the vicinity.

## Well Capitalized

CLC's successive investment rounds, which have cumulatively garnered approximately CAD \$16M, have allowed the Company to maintain a healthy reserve of funds for ongoing operations.

EOY 2019 Share Capital: \$8.4M

2020 Financing: \$7.9M

## Licensing Secured

CLC has secured and received its standard Cultivation Licence from Health Canada, a standard Processing Licence and a Research & Development Licence which will allow the Company to develop new products, market our proprietary genetics, conduct technology advancements and provide consulting services to third parties.

No additional licences are required to carry out CLC's current business plan and to process and sell our cannabinoid products and services.

## Master Growers

Our owner group includes Master Growers with decades of experience in both outdoor and indoor cultivation and the development of proprietary genetics. They are among the best in the world at what they do and have helped define the industry.

## First Mover Advantage

CLC is part of the first wave of companies to produce high-yield, low-cost cannabis products since outdoor cultivation was legalized in October 2018. The cannabis market is currently dominated by indoor production, which has both higher operating and capital costs due to the infrastructure, lighting and labour requirements.

## Focus on Extract Market

CLC's initial focus is on wholesale distribution of food-grade, high-THC cannabis oil to domestic and international markets. This is driven by the larger addressable global market, higher margins, shelf life and ease of storage / transportation relative to the dried flower cannabis market.

## Additional Opportunities

Our plans for further growth include evaluating businesses such as fee-for-service cannabis extraction, providing market access to micro cultivators and the processing of industrial hemp into high-quality CBD oils.

# CHRISTINA LAKE, BRITISH COLUMBIA



## Christina Lake sits in the heart of two intersecting valleys in British Columbia, Canada.

The unique geographic positioning creates a fertile delta and is one of the hottest parts of Canada making it one of the most desirable locations in North America for an outdoor cultivator.

The location provides several benefits:



### Low Elevation

At 500m above sea level, our valley is one of the lowest in the Kootenay Boundary region and as such, it lends itself to an extended growing season that typically spans up to 8 months of the year.



### Consistent Breezes

We receive a consistent breeze from the southern-facing valley that aids in the structural development of our plants as well as their respiration cycles and pest control.



### Low Precipitation

With a low average rainfall of 500mm, 54% of which takes place over the winter, our outdoor crops are less susceptible to water damage, mildew and rot.



### Ample Sunshine

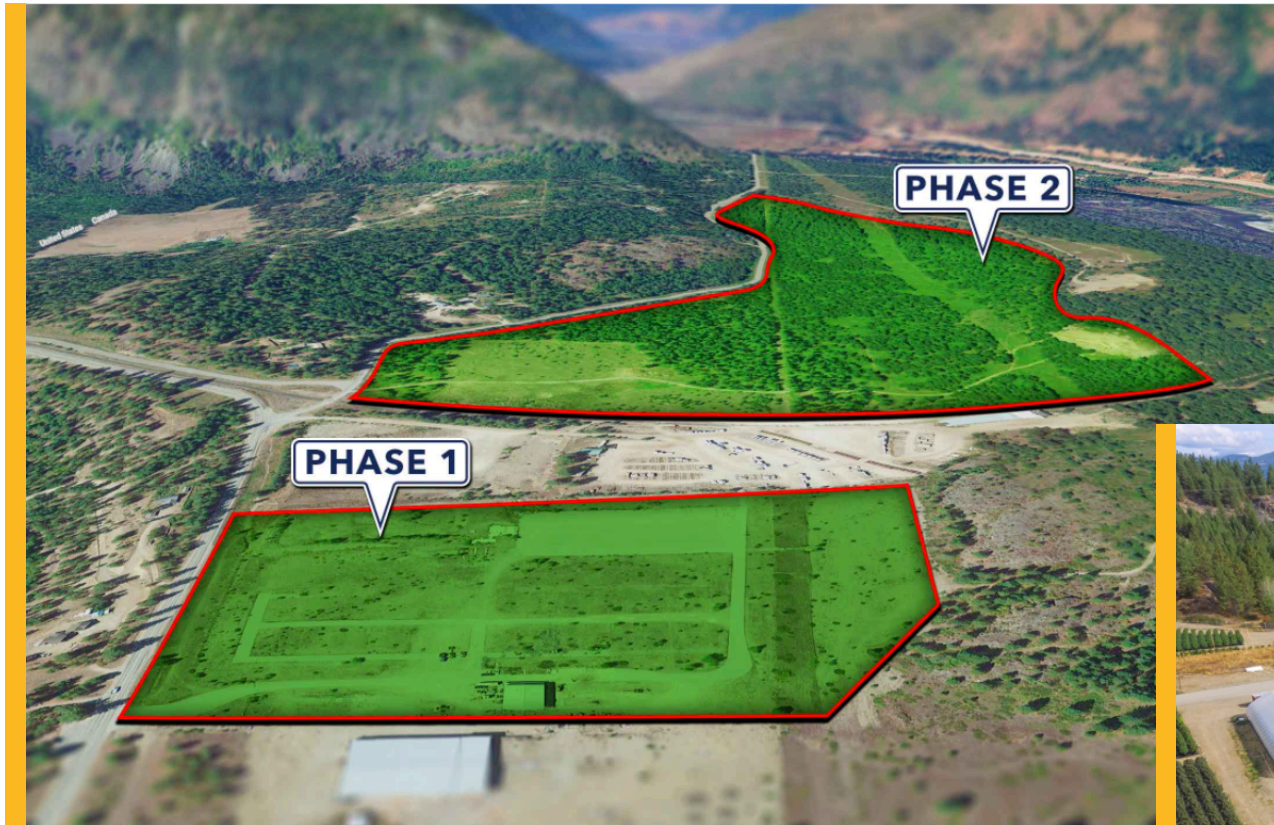
Thanks to the characteristics of our latitudinal valley, our location is exposed to a prolonged abundance of full-spectrum sunshine.



### Protective Valleys

Nestled in a lush private setting, our 32-acre starting property is protected from the influences of outside industries.

# SITE PROPERTY



## Positioned for Growth

CLC's 32-acre industrially zoned site provides a cultivation footprint of no less than 20 acres. The existing facilities have been retrofitted for cultivation and expanded for sufficient drying capacity during harvest.

In 2019-2020 CLC completed construction of a new processing facility and storage building to house new extraction and auxiliary equipment to produce a full spectrum of oils from winterized to distillates and isolates including terpenes.

CLC has acquired a 99-acre adjacent parcel of land and an option to purchase an additional 200 acres in the vicinity.



# LICENCES & GRANTS

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## All licences secured to carry out business plan

CLC currently has a **cultivation licence** to produce and sell flower to LP wholesalers, an **R&D licence**, a **medical sales licence** and a **processing licence** for extracted oil products. These licences will also allow for the development of new products and strains for the medical and recreational markets and Cannabis 2.0.

- The Health Canada R&D licence (one of only four in the country) enables CLC to pursue federal research grants.
- A Sales Amendment to the processing licence will be submitted to Health Canada to allow CLC to sell directly to provincial and retail customers and open up international distribution channels.

# CHRISTINA LAKE'S MASTER GROWERS

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## World-class experience that helped define an industry

With over 100 years of combined experience, CLC's cultivation team has been growing in the vicinity of Christina Lake for the last twenty years.

They have faced many challenges as do-it-yourself growers, and their product was renowned in its own right for the strong genetics and highly potent THC content.

They now work with an automated advanced operation supported by new technology and a well-capitalized company. Innovation is the foundation of the Company. CLC will continue to develop its processes to produce product offerings that our partners require to meet the evolving needs of the end consumer.



# OUTDOOR CULTIVATION ADVANTAGE



## High-quality, high-value product for low cost

Relative to the current indoor and greenhouse production companies, outdoor cultivation has a much lower capital and operating cost structure. Outdoor cultivation is less energy and labour intensive providing a more natural product.



### Lower Cost

Outdoor cultivation has the advantages of significantly lower capital and operating costs and can be expanded far more rapidly than indoor operations. Large-scale expansion is readily available relative to indoor operations.



### Outdoor Genetics

We have developed and control a wide variety of proprietary outdoor genetic property ("strains") and seed stock that have been proven to flourish in our local outdoor climate.



### 100% Natural with No Pesticides

Full-spectrum sunlight versus artificial limited-spectrum lights greatly improves the quality of the plants.



### Low Impact

The impact on the environment is greatly reduced.

# COMPANY PRODUCTS

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## Premium products that command premium prices

CLC's strategic advantage is our ability to take low-cost, outdoor-cultivated cannabis and convert it into a high-quality, THC-rich oil, garnering a premium price.

The bulk of the 2020 harvest will be processed into the full spectrum of extracted oil, distillates and isolates available for the domestic and global wholesale markets.

Additional services include tolling dried cannabis into oil and dried hemp into pure CBD oil, R&D analysis and testing, and new product development.



# 2020 INAUGURAL HARVEST RESULTS



CLC exceeded its first annual cannabis production forecast by 10,000 kg (22,046 lb) - a 44.4% increase from its 2020 target of 22,500 kg (49,604 lb).



The Company's inaugural yield reached 32,500 kg (71,650 lb) of dried cannabis on its 20-acre licensed outdoor grow footprint.



Mature plants rose as high as 10 feet and the weighted average of each harvested cannabis plant was 1.5 kg (3.3 lb), with some exceeding 3.2 kg (7.1 lb).



For the 2021 growing season, CLC intends to utilize more land than it did in 2020 to cultivate a total of 56 strategically allocated strains. 2021 harvest yield could expand by 35% or more over the 2020 harvest yield.

# 2021 EXPANSION AND CROP ALLOCATION



Based on the 2020 performance of the Company's proprietary cannabis strains, which are genetically optimized for outdoor growth under natural sunlight, CLC has selected seven strains which will comprise approximately 90% of our 2021 crop.

CLC will trial the outdoor performance of 49 other cannabis strains from its seed bank and plant portfolio, which will comprise the remaining 10% of the Company's planned crop for 2021.

The experimental strains have already passed the first year of the testing cycle, some of which have demonstrated THC content as high as 25%, well above the average THC content of CLC's 2020 crop.



# JOINT VENTURE OPPORTUNITY WITH TAAT LIFESTYLE & WELLNESS



- On February 24th, 2021, CLC and Taat Lifestyle and Wellness entered into a memorandum of understanding in which CLC will become the exclusive developer and distributor of TAAT nicotine-free and tobacco-free cigarettes in the Canadian market.
- The base material of TAAT is known as Beyond Tobacco, a proprietary hemp formulation which undergoes a 14-step process to taste, smell, and smoke similarly to actual tobacco.
- CLC's status as a Licensed Producer under the Cannabis Act could enable TAAT to be produced and sold in the Canadian market, where the tobacco industry is valued at CAD \$19.1 billion.
- Although CLC does not presently cultivate hemp, the Company has sourced multiple local growers who can supply high quality, toxin-free hemp biomass.

# OPERATIONS & FACILITIES

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## Fully built and ready for expansion

CLC's world-class facilities have been completely built out and are currently in full operation.

The extraction facility has four large, custom dry rooms that have the latest technology with an innovative means to circulate the air so it maintains perfect humidity.

The next milestone will be to utilize the acquired adjacent 99-acre parcel of land to expand even further the scale of CLC's operations. CLC will work on not only maximizing its existing property, but also plans to increase capacity annually by 20-25%.

# ON-SITE EXTRACTION & PROCESSING



## CLC Integrates Industry's First Installation of Vitalis' Cosolvent Injection System (CIS) Add-On

- The Vitalis CIS add-on is designed to enhance the extraction process for cannabis and hemp by using an ethanol-powered mechanism to significantly reduce runtime and operational costs as well as to improve winterization.
- Process capabilities of upwards of 250 kg / 551 lb of biomass per day or 1,250 kg / 2,755 lb per week.
- 20 L of ethanol per extraction for each run garner +90% of cannabinoids. An ethanol-only system of equivalent size would mean using more than 100 L of ethanol in one run.

# ULTRA LOW-COST PRODUCTION

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## Pushing for the lowest production costs in the industry

Christina Lake Cannabis' production costs are extremely competitive over indoor cannabis producers that typically have all-in cash costs of over \$1.00 per gram.\*

CLC expects to be one of the lowest-cost outdoor cannabis producers in the industry. Outdoor producers have a significant cash and capital cost advantage over indoor producers.

The Company is actively growing multiple strains of cannabis with THC flower concentrations frequently over 20%. With onsite extraction, the Company aims to convert full-spectrum cannabis into high-margin processed oils at added-value premium prices.

\*Prices in CAD



# TIMELINE & MILESTONES

## 2018 - Footprint Secured

In October 2018, Christina Lake Cannabis purchased 32 acres of land near Christina Lake, BC as well as a cultivation building. The land is fully serviced, has access to water and is situated next to a major transportation route.



## Fall 2019 - Construction

2019 saw the retrofitting of the cultivation facilities and the construction of the processing facility, including extraction equipment and nursery. The property was prepared for planting with individual buckets and irrigation solutions.



## Fall 2020 - Inaugural Harvest

CLC's crop yielded 32,500 kg of dried cannabis - a 44% increase above its projected target.



## Early 2019 - Licencing

Christina Lake Cannabis filed its Standard Cultivation Licence application with Health Canada, as well as the Standard Processing Application following construction completion. All three licences were approved by HC in 2020.



## Spring 2020 - Cultivation

The first 20-acre cannabis crop was planted in the spring of 2020.



## Winter 2020/21 - Production & Sales

On-site processing and extraction of CLC's biomass for commercial production quantities of winterized and distillate oils.



# COMMUNITY

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## Community driven for sustainable results

Christina Lake Cannabis is community driven and is a company built, operated and supported by our community. We have made a long-term commitment to give back to the communities where we work and live. As the largest employer in Christina Lake, we continue to provide new opportunities for our community members. We have built a sustainable business, backed by experience and insights, to meet the industry's needs as it matures.

# MANAGEMENT TEAM AND BOARD OF DIRECTORS

CLC has assembled a world-class Board of Directors & Advisory team with deep industry experience, knowledge and relationships in the cannabis industry.



**Joel Dumaresq**  
CEO | Director

Finance and investment banking background, MD of Pashleth Merchant Capital since 2004, previously with RBC Dominion Securities for 15 years.



**Nicco Dehaan**  
COO | Master Grower | Director

Extensive agricultural background, developed unique cannabis strains under various medical cannabis licences issued by Health Canada.



**Ryan Smith**  
CFO

A finance professional with a diversified portfolio spanning multiple industries. Ex-Axia NetMedia Corporation, Ex-KMM.



**Rob Jones**  
President

36 years of experience in trading agriculture commodities worldwide to the feed, oleochemical and energy industries.



**Steve Bowering**  
Master Grower

20 years of experience in horticulture, specialized expertise with various cultivation methods, grow facility design and operations within licensed facilities.



**Jason Taylor**  
Regulatory Affairs | Director

Law degree from the University of Dundee Law School in the U.K., called to the Canadian Bar in 2002. Returned to private practice in 2013 to focus on corporate law.



**Timothy O'Donnell**  
Head of Extraction

Oversees processing and extraction; has conducted extensive research in the industry. Sold his successful oilfield services business of 29 years to a multinational oilfield service company.



**Gil Playford**  
Chairman of Audit and Finance Committee | Director

Ex-senior corporate executive in the mining and resources sector with diverse global experience.



**Pinkal Diwan**  
Director of Quality Assurance

Brings 18 years of experience in production and quality assurance roles in both the health care and pharmaceutical industries, Ex Apotex Inc. and Zydus Cadila Healthcare Ltd.



**Mervin Boychuk**  
Chairman | Director

A serial entrepreneur who has founded, built and sold four highly successful businesses over his 35-year career. Includes South Rock, RecycleWest, EnviroWest.



**Milan Stefancik**  
Director of Sales & Marketing

Previous Director, Key Accounts with Aurora Cannabis Enterprises where he managed key national accounts.



**Salvatore Milia**  
Head of R&D Committee | Director

Oversaw large infrastructures in sensitive and highly regulated environments; will further improve CLC's crop yields and consistency.

# CORPORATE OVERVIEW



Total Outstanding Shares (non-diluted)	99,352,315
Total Outstanding Shares (fully diluted)	125,051,716
Cash Position (as at January 11, 2021)	\$2.1M (CAD)
Market Close (January 22, 2021)	\$1.00
Market Capitalization (January 22, 2021)	\$99.35M
Capital Invested to Date	\$16M (CAD)
Insider Ownership	Approx. 27% (under escrow)

## Corporate Counsel

Cassels Brock  
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cassels.com

## Auditor

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## Transfer Agent

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### **Joel Dumaresq**

Chief Executive Officer

### **Jamie Frawley**

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