



**CHRISTINA LAKE**  
CANNABIS CORP

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**INVESTOR  
PRESENTATION**  
November 2023

CSE: CLC | OTCQB: CLCFF | Frankfurt: CLB  
[CHRISTINALAKECANNABIS.COM](http://CHRISTINALAKECANNABIS.COM)



# 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

Christina Lake Cannabis is focused on delivering high-quality, differentiated cannabis derivatives to its customers, while enhancing profitability and driving long-term shareholder value.



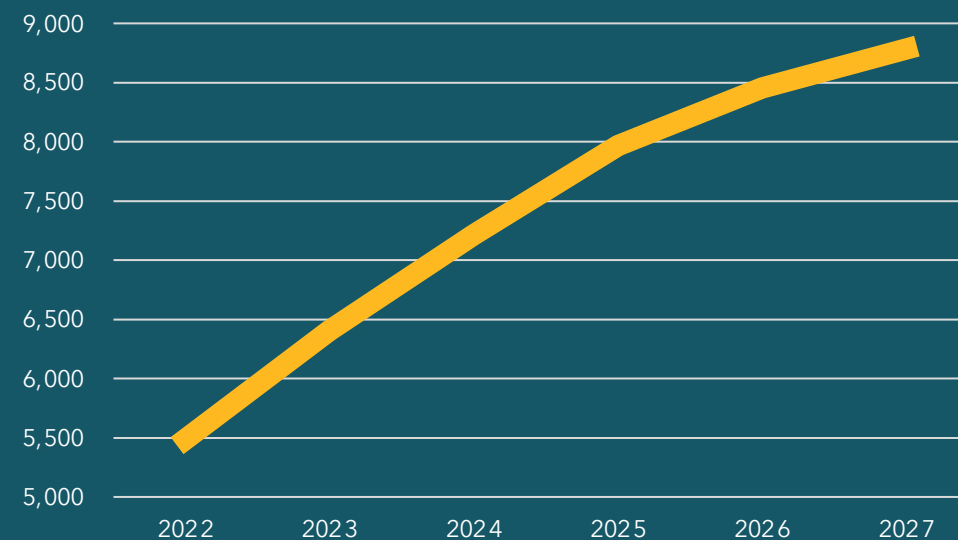
# CANADIAN MARKET OUTLOOK

- Canadian Market is estimated to grow 60% to \$8.8B by 2027<sup>1</sup>.
- Distillate has become a key ingredient of several categories, all of which are expected to experience significant growth:
  - The Infused pre-roll segment has seen tremendous growth, more than 1000% from September 2021 to September 2022<sup>2</sup>.
  - Vapes are expected to maintain their position as the 3<sup>rd</sup> most popular category, with growth of 83% to \$1.3B.
  - Other distillate products are expected to grow over 150%<sup>1</sup>.
- Pre-roll market is expected to grow 63% and top \$1.6B<sup>1</sup>.

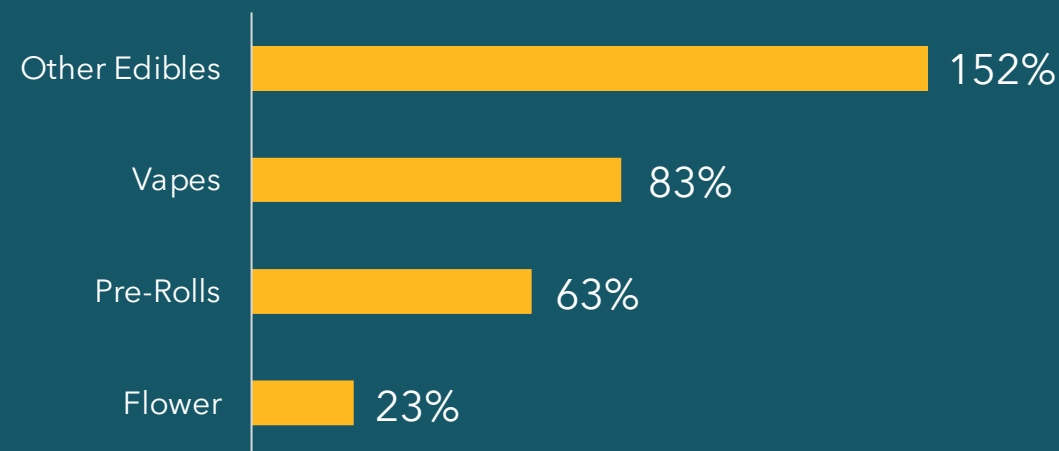
1 - Brightfield Group; Q2 2022, the period represented is from 2022 to 2027

2 - MJ Biz - Sales of infused pre-rolls light up Canadian cannabis market, October 24, 2022

## Total Canadian Cannabis Market<sup>1</sup>



## Growth by Category<sup>1</sup>





# EXTRACTION OPPORTUNITY



## Costs

- Outdoor grow produces high quality cannabis at a **fraction of the cost** of greenhouse or indoor grow.
- We have further **optimized our process** to produce industry leading premium distillates.
- We have **responsibly deployed capital** based on realistic expectations of the company and the market.

## Quality

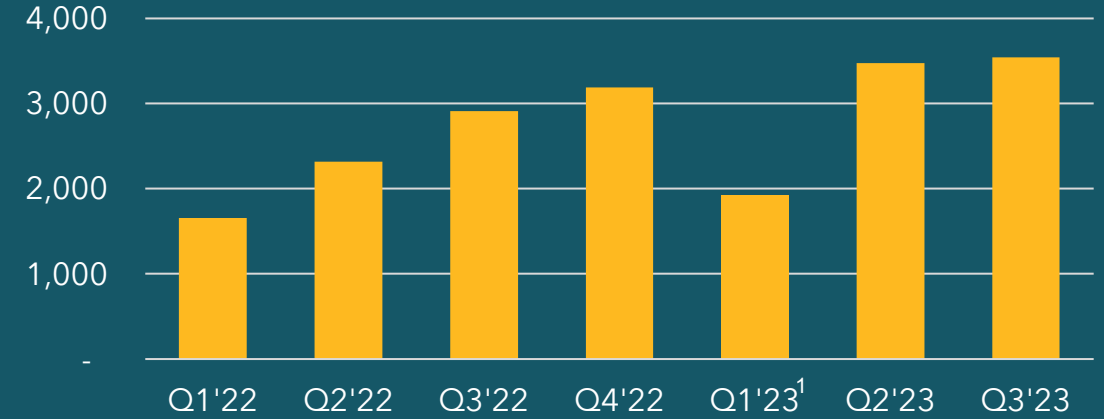
- We grow our own dedicated input materials, which **de-risks price** and **provides us with control over our inputs**.
- **Hand selected** inhouse developed **genetics** are grown specifically for targeted outputs of extracts or flower. Competitors often rely on low quality input materials available in the wholesale market.
- We **control** most of our **value chain** and produce premium turnkey products for our customers.
- We have made investments in **cutting edge technology**, driving product quality and speed to market.
- Our **in-house knowledge and expertise** is driving higher value finished products.



# INVESTMENT HIGHLIGHTS

- **Premium cannabis extractor and formulator** with substantial experience in processing, supported by outdoor grow.
- **Established and trusted** supplier to leading licensed producers.
- **Responsible** growth and execution.
- **Focused expertise and fortitude** that has set the foundation for diversified **high margin growth** opportunities.

Revenue (in 000's)



1 - Q1'23 is indicative of typical seasonality in the industry



Diversified markets  
and product  
offerings



Increase  
Market Share



Drive  
Profitability



Deliver  
long-term  
shareholder  
value



# OPTIMIZED AUTOMATED PROCESSING

## Leading Extractor and Formulator

- Invested in right-sized automated equipment to streamline processing and maximize high quality outputs resulting in ~75% increase in processing capabilities.
- Achieving premium distillate of over +90% THC.
- Deep rooted extraction expertise with a focus on continuous improvement.
- Utilizing innovative ideas to improved the monetization of inventory.










# 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 transpiration 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.





# CHRISTINA LAKE'S MASTER GROWERS



## 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 a lower 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 sustainable 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



Allows farmers to harness the sun's natural power, reducing the consumption of electricity, leading to a reduction in carbon emissions and operating costs.



# ULTRA LOW-COST PRODUCTION

## Pushing for the lowest production costs in the industry

Christina Lake Cannabis' production costs are significantly lower than indoor or greenhouse cannabis producers that typically have all-in cash costs of over \$1.00 per gram.

CLC is one of the lowest-cost outdoor cannabis producers in the industry, with a significant cash and capital cost advantage over other producers. With a proven track record of successful harvests.

The Company is actively growing multiple strains of cannabis with THC flower concentrations frequently over 20%. With onsite extraction, the Company creates premium distillate for its customers.





# TRUSTED SUPPLIER TO LEADING LICENSED PRODUCERS

Christina Lake took the time to build the right team, focusing on individuals with deep rooted cannabis experience and diversified business expertise.

Our team fosters a culture of continuous improvement across the business. This has led to improvements in cultivation and processing, which continues to improve the quality of our products.

We have developed a reputation throughout the industry for creating consistent high quality derivative products for our customers.

Responding to evolving market demands with diversified product offerings for our customers.

Growing our market share as a leading supplier.



# FINANCIAL RESULTS

In \$000s unless otherwise indicated	9 months ended		% Change	Fiscal Year	
	Aug 31, 2023	Aug 31, 2022		F'22	F'21
Revenue	\$8,940	\$6,886	30%	\$10,073	\$ 3,633
Cost of Sales	(4,895)	(3,285)	49%	(5,937)	(1,430)
Gross Profit before fair value	4,044	3,601	12%	4,136	2,203
Changes in the fair value of inventory sold	(2,306)	(1,174)	96%	4,642	3,240
Inventory write-down	-	-	-	(2,471)	(3,861)
Gross profit	1,738	2,428	(28%)	2,979	57
Fair value change on growth of biological assets	2,614	3,002	(13%)	(3,328)	(1,526)
General and Administrative Expenses	(3,135)	(3,272)	(4%)	(4,425)	(5,153)
Total other items	(723)	2	(46562%)	(582)	(2,046)
<b>Net Income (loss)</b>	\$495	\$ 2,160	(77%)	\$(2,028)	\$( 7,143)

Cash  
\$1.7M

Working  
Capital  
\$4.1M

Liabilities  
\$7.1M

Christina Lake was able to learn from early industry mistakes, the team has efficiently deployed capital to build the right-size organization. They are maximizing utilization of assets and ensuring effective inventory management.



# CONTINUING TO EXECUTE ON GROWTH

## Harvest Results

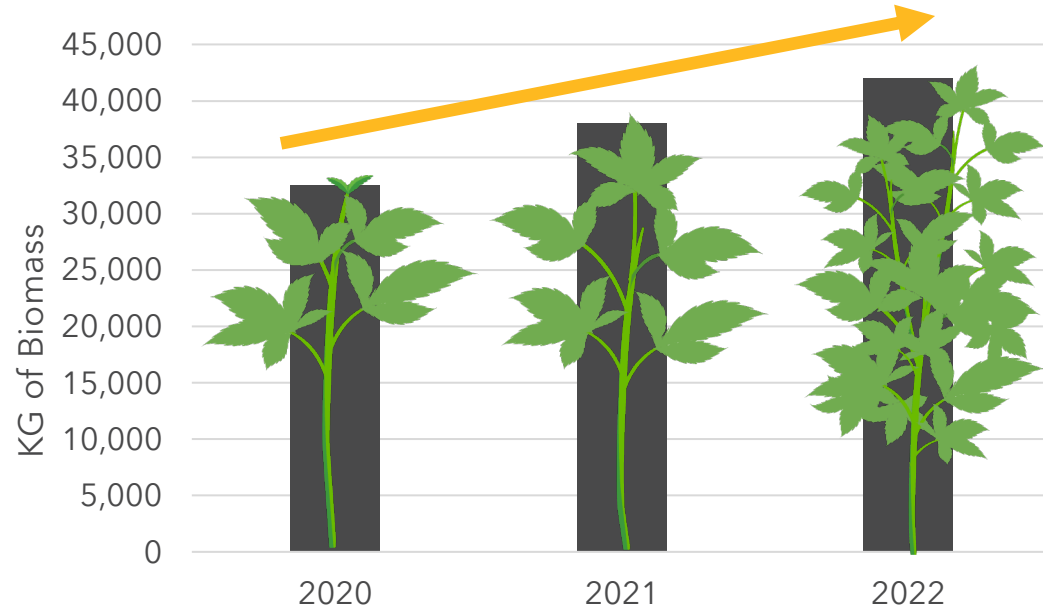
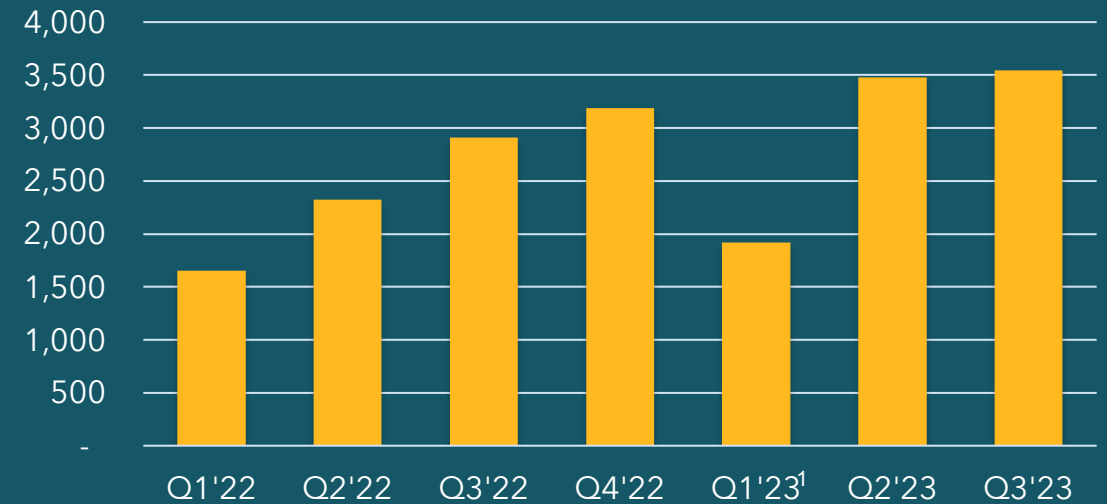


Image by brgfx on Freepik

## Revenue (in 000's)



1 - Q1'23 is indicative of typical seasonality in the industry

Meaningful growth not only in the harvested cannabis but also in the milligrams of THC per harvest.



# OPPORTUNITY

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We remain focused on growing our revenue base through accretive opportunities.

## **Growth in current stream**

Infused pre-rolls and other products made with distillate continue to see increased demand in the market

## **Focusing on new markets**

Exploring opportunities beyond Canada, signing our first international supply agreement with South Africa.

## **New product formats**

We have added production and processing capabilities that will allow us to offer more advanced formulations for our customers as a value-added service

## **Diversifying our customer base**

Increasing our processing capabilities will allow us the opportunity to work with new customers

## **Expanding distribution channels**

Our team is pursuing additional distribution channels





# COMMUNITY PARTNER

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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

CLC has assembled a world-class management team with deep industry experience, knowledge and relationships in the cannabis industry.



**Mark Aiken**  
CEO

Experienced executive with over 20 years experience in revenue growth, business development, corporate strategy, marketing, M&A, and establishing strategic relationships. Former Vice President of Strategic Business Development at HEXO Corp, where he grew international sales by 320%. MBA from Queen's University.



**Ryan Smith**  
CFO

A finance professional with a diversified portfolio spanning multiple industries, including banking, telecommunications, and mining, where he has played a key role in strategic investment initiatives and supported accounting functions.



**Nicco Dehaan**  
COO

Over 25 years of diversified agricultural experience. With a macro level vision and a focus on organization, continuous improvement, diligent work ethic, and industry leading cultivation techniques, his team has grown over 100,000 kg of dried cannabis in 3 years.



**Milan Stefancik**  
VP Sales and Marketing

Deep industry knowledge with over 10 years of experience in the alcohol and cannabis industry. A background in establishing and managing sales teams, new customer relationships, and contract negotiations.



**Steve Bowering**  
Master Grower

25 years of experience in horticulture, specialized expertise with various cultivation methods, strains, grow facility design and operations within licensed facilities. He has been a cornerstone of the cultivation team, known for his technical knowledge and meticulous attention to detail.



# BOARD OF DIRECTORS



**Jay McMillan**  
Chairman | Director

Proven results oriented executive leader with 25 years of international markets experience. Extensive background in M&A, new market development and strategic engagement with Fortune 500 organizations. Former Chief Development Officer with HEXO Corp., which grew to be the top LP in the country by market share.



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

Internationally accomplished senior corporate executive and entrepreneur in the mining and resources sector, with diverse global experience. He has a strong business and financial background as a proven leader in public and private companies, driving consistent growth and shareholder value.



**Salvatore Milia**  
Head of Strategic Committee | Director

A serial entrepreneur in the tech space with experience in growing businesses from inception to exit. He has overseen large complex systems in sensitive and highly regulated environments.



**Mervin Boychuk**  
Director

A serial entrepreneur with a track record of founding, building and selling highly successful businesses over his 35-year career. Which includes South Rock, RecycleWest, and EnviroWest. His decades of experience through diversified markets brings a tremendous amount of practical expertise.



**Joel Dumaresq**  
Chairman of the Compensation Committee | Director

Extensive experience in finance and investment banking, as well as natural resources. Currently the Managing Director of Pashleth Merchant Capital, previously with RBC Dominion Securities for 15 years.



**Nicco Dehaan**  
Director

Over 25 years of diversified agricultural experience. With a macro level vision and a focus on organization, continuous improvement, diligent work ethic, and industry leading cultivation techniques, his team has grown over 100,000 kg of dried cannabis in 3 years.



# CORPORATE OVERVIEW



Insider  
Ownership  
16.56%

	Oct 31, 2023
Outstanding common shares	131,122,173
Warrants	3,818,176
Options	11,483,400
Restricted Share Unit	200,000
<b>Fully-diluted shares</b>	<b>146,623,749</b>

## Corporate Counsel

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