



BRAND OF THE FREE

CannAmerica Announces Acquisition of Arsenal Oils & Extracts in Colorado

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VANCOUVER, BC, December 16, 2021 – CannAmerica Brands Corp. (CSE: CANA) (OTCQB: CNNXF) ("CannAmerica" or the "Company") is pleased to announce the Company has successfully executed a Purchase Agreement (the "**Agreement**") of CannAmerica's Colorado licensee, Arsenal Oils and Extracts ("**Arsenal**"), a Colorado licensed manufacturer of infused products and maker of Anointed and Lo-Hi brands. Arsenal's annual sales of its branded products has reached USD\$2,040,000 to date in the legal wholesale market in Colorado.

The Agreement includes employment agreements for the management team of Arsenal, who will be joining the CannAmerica team. DAFF International, LLC, a wholly owned US subsidiary of CannAmerica will enter into a management agreement with Arsenal to manage the business and operations of Arsenal during the required regulatory review and approval process prior to the closing of the acquisition.

The terms of the Agreement are as follows:

- \$2 million USD purchase price for the entirety of Arsenal's operating business and assets, including equipment, the Manufacturer of Infused Products license issued by the Colorado Marijuana Enforcement Division, and Arsenal's brands and intellectual properties.
- \$600,000 cash component post-closing.
- \$1,400,000 in the Company's common shares, issued over a two-year structured period.
- Upon approval by all regulatory bodies in both the United States and Canada, the Company will own 100% of Arsenal's business and be the operator in the State of Colorado for manufacturing and wholesale distribution of all of Arsenal's branded products.

Dan Anglin, CannAmerica's founder and Chief Executive Officer stated "The Company is pleased to announce this acquisition of Arsenal. This will represent a significant increase in the Company's revenues and add the expertise of Arsenal's management team, long-time cannabis pioneers, to the Company's already expert management team." Mr. Anglin continued, "The Company has been working towards this acquisition for some time, all the while planning the expansion of the Company's assets and footprint in multiple markets. The new management team look forward to increasing the Company's brands, expanding the choices of cannabis products in Colorado and bringing Arsenal's Anointed and Lo-Hi branded products into other markets across the country. The Company looks forward to expanding production space, providing the Colorado cannabis market with new and unique products, while also creating more opportunities for social equity and veterans through this acquisition. Arsenal is a black-owned cannabis business and the founder, Rainbow Coleman, is a United States Air Force veteran who has built a team of professionals and military veterans that will enhance the CannAmerica's team. Mine

and Mr. Coleman's goals of bringing equity into the cannabis industry while creating meaningful opportunities for veterans is a perfect combination for success in Colorado and beyond."

The closing will occur as mutually agreed upon by the Company and Arsenal, subject to the receipt of all necessary regulatory approvals in both the United States and Canada, including the approval of the Canadian Securities Exchange. The Canadian Securities Exchange may determine the acquisition to be a "fundamental change" under Policy 8 of the Canadian Securities Exchange Policies. All securities issued pursuant to the acquisition will be subject to a four-month hold period in accordance with applicable Canadian securities laws.

About CannAmerica Brands Corp.

CannAmerica is a U.S. marine veteran founded and operated portfolio of cannabis brands with licensing agreements in the states of Colorado, Nevada, Oklahoma, Massachusetts and the Country of Canada. The Company aims to maximize the value of its brands by employing strong brand management teams, marketing and licensing the brands through various distribution channels, including dispensaries, wholesalers, and distributors, in the United States and internationally. The Company's core strategy is to enhance and monetize the global reach of its existing brands, and to pursue additional strategic acquisitions to grow the scope and diversity of its brand portfolio.

For more information, please visit: www.cannamericabrands.com.

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Forward-Looking Statements

Cautionary Note Regarding Forward-Looking Statements: This release includes certain statements and information that may constitute forward-looking information within the meaning of applicable Canadian securities laws. Forward-looking statements relate to future events or future performance and reflect the expectations or beliefs of management of the Company regarding future events. Generally, forward-looking statements and information can be identified by the use of forward-looking terminology such as "intends" or "anticipates", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "should", "would" or "occur". This information and these statements, referred to herein as "forward-looking statements", are not historical facts, are made as of the date of this news release and include without limitation, statements regarding discussions of future plans, estimates and forecasts and statements as to management's expectations and intentions with respect to, among other things, the ability of the Company to file the Annual Filings within the time period described herein.

These forward-looking statements involve numerous risks and uncertainties and actual results might differ materially from results suggested in any forward-looking statements. These risks and uncertainties include, among other things: the Company being unable to file the Annual Filings in the proposed timeframe.

In making the forward looking statements in this news release, the Company has applied several material assumptions, including without limitation, that: the Company will be able to file the Annual Filings in the proposed time frame.

Although management of the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements or forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements and forward-looking information. Readers are cautioned that reliance on such information may not be appropriate for other purposes. The Company does not undertake to update any forward-looking statement, forward-looking information or financial out-look that are incorporated by reference herein, except in accordance with applicable securities laws. We seek safe harbor.