

RULE 23 - PROFORMA PRE-ADMISSION ANNOUNCEMENT

ANNOUNCEMENT OF APPLICATION FOR ADMISSION TO THE AQSE GROWTH MARKET
APPLICANT NAME: Sativa Wellness Group Inc.
APPLICANT REGISTERED OFFICE, PRINCIPLE PLACE OF BUSINESS (IF DIFFERENT) AND TELEPHONE NUMBER: The Company's registered office is 503 - 905 West Pender Street, Vancouver, BC V6C 1L6, Canada and the principal place of business is The Blue Building Stubbs Lane, Beckington, Frome, Somerset, BA11 6TE, United Kingdom. Telephone: +44 (0) 20 7971 1255
DIRECTORS AND PROPOSED DIRECTORS (IF APPLICABLE): <i>Henry Lees-Buckley: Chief Executive Officer and Director</i> Mr. Lees-Buckley is a seasoned corporate executive, with extensive experience of leading companies in the public markets. Mr. Lees-Buckley was previously CEO of Uni-Select, a Canadian TSX quoted company, with operations in the UK, Canada and the USA. Prior to that, he was a senior global executive and officer in the USA and Canada for W.W. Grainger, a US\$15 billion Fortune 500 company. He is currently a non-Executive Director of NASDAQ-quoted BMC (Building Materials Corp) which has sales of US\$3.8 billion and a market capitalization of US\$1.6 billion. Mr. Lees-Buckley holds an MBA from Queens University, Kingston, Ontario and has held numerous executive level positions both in North America and the United Kingdom. <i>Joseph Colliver, Chief Financial Officer and Director</i> Joseph is a Chartered Accountant with a track record in financial and statutory reporting, strategy, commercial finance, management consultancy and regulatory compliance. Joseph is accountable for the financial, statutory and regulatory reporting associated with a publicly listed company, and performs a Group leadership role as one of two executive board directors. Joseph has worked across the health & wellness, consumer goods, retail, marketing, market research and financial services sectors. Previously a Director of Consulting at Kantar Consulting, part of WPP Plc ("WPP") which advises Retail, Sales and Shopper clients on enhancing their commercial capability and the commercial competency of their staff. Prior to this, Joseph was CFO and a senior board member at WPP's Kantar Futures. From 2012 – 2015 Joseph was Global Commercial Director of WPP's Kantar subsidiary Taylor Nelson Sofres, a \$1.8 billion turnover marketing agency. <i>Jonathan Wearing, Chairman of the Board of Directors</i> Jonathan is an experienced, City-based corporate financier, who began his City career after graduating from Cambridge University with a M.A. in Economics. Formally a Director in the corporate finance department of Citicorp Investment Bank Limited, Jonathan is currently an angel investor in companies. He was also Chairman of Ideagen Plc from July 2012 until April 2018 and remained a non-Executive Director until November 2019. <i>Angus Kerr – Non-Executive Director</i> Angus is an adviser and capital markets professional with nearly 25 years' experience in global banking with specific expertise in strategic and equity advisory, M&A and ECM. He has held, inter alia, managing director and management roles covering advisory, equity advisory and ECM at a number of organisations, including head of Mid-Market Advisory and Broking at Credit Suisse and head of UK ECM at Dresdner Kleinwort. He

has a long track record of advising companies and high-profile individuals in the UK, USA and Europe. He is currently Chairman of North Berwick SA.

Mark Blower, Director

Mark is an experienced finance professional, having spent the last 20 years actively overseeing the financial performance of over 70 UK SME's, with a focus on raising debt and private equity. He began his career in 1996 at the Investment Banking division of a large UK bank, before joining NM Rothschild in 2000. He then ran a highly successful leveraged debt team for five years before starting his Private Equity career in 2010. During his career to-date he has held a number of board positions, across a variety of sectors.

Jason Dussault, Director

Jason will devote a minority of his working time to the Company in connection with his duties as a director of the Company. Jason is a man of many talents with a mind for marketing and creativity. He produced and starred in "Dussault Inc.", a reality television show that aired on City TV, and created a successful fashion brand with Gene Simmons and Criss Angel called "Dussault Apparel". Jason's professional journey has primarily been focused on mining and capital markets. His debut in the global marketplace occurred during the exploration boom in the North West Territories, which lasted for nearly two decades. However, Jason has also worked with a number of wireless, high-tech, retail and energy start-ups, and has specifically devoted his past two years on strategic minerals, focusing primarily on lithium in Nevada. Jason's unique passion for both business and art has made him an individual of great effectiveness and creativity. Jason's success in artwork include completing a mosaic team emblem for FC Barcelona, a community created pieces titled "Barker Evergreen" in association with Telus which is displayed at one of Canada's most celebrated venues, the Pacific National Exhibition. Jason is also represented by the Hoerle-Guggenheim Contemporary Art Gallery, New York and at the Maddox Gallery in Mayfair, London. Jason has previously acted as director and CEO of Pure Energy Minerals Limited and Zadar Ventures Ltd.

Anne Tew, Corporate Secretary

Anne is an experienced qualified Accountant, Company Secretary, and business Mentor who has worked in a range of sectors including the NHS, technology, lab research, manufacturing, farming and education to achieve business turnaround, growth and development. Anne has worked as an Executive and Non-Executive Director as well as advising board members in financial and governance matters as the Company Secretary or external consultant.

APPLICANT SECTOR:

Pharmaceuticals and Biotechnology

DESCRIPTION OF THE APPLICANT AND ITS ACTIVITIES:

Sativa Wellness (**Canadian Securities Exchange: STIL**), is a fully integrated European seed to consumer CBD group with the pricing, products, and stability to meet the CBD market demand in the medium term. With world-class extraction and formulation experts, an agricultural team that has over 20 years' experience farming hemp, along with laboratory testing capabilities, the group has established itself globally as a trusted source of high-grade, premium wholesale CBD brands and products.

The Company is pleased to announce that it has today applied for admission of its entire issued share capital of 302,594,773 common shares, having no par value ("Common Shares") to trading on the AQSE Growth Market ("AQSE"). Admission is expected to take place on or around 23 September 2020.

Admission is conditional on the Scheme of Arrangement becoming effective which is expected to take place on or around 1 September 2020, and conditional upon Sativa Wellness (name changed from Stillcanna Inc.) being readmitted to the Canadian Securities Exchange ("CSE"), pursuant to the acquisition of Sativa Group plc. The Scheme of Arrangement was entered into whereby Stillcanna Inc. acquired Sativa Group plc in an all share exchange. The acquisition becomes effective, whereby former shareholders of Sativa Group plc will become shareholders of approximately 65 per cent. and Stillcanna shareholders will become shareholders

of approximately 35 per cent. including all option and warrant instruments outstanding on a fully diluted basis, of the now combined Sativa Wellness.

The merger of Sativa Group and Stillcanna brings together expertise that cover all stages of the product development lifecycle, from seed through to cultivation and extraction, and now testing, bottling and distribution.

For the avoidance of doubt, the Company will remain listed, with its Common Shares trading on the CSE following admission to the AQSE Growth Market. The Common Shares will continue to trade on the OTC and the FSE. The Company will have a dual listing with its Common Shares fully fungible through a Depositary Interest (“DI”). The DIs will carry the same ISIN as the Common Shares listed in Canada on the CSE. The ISIN number is CA86071P1071.

Company Information

Stillcanna Shares were initially admitted to trading on the TSX-V in Toronto on 2 May 2012 and were subsequently delisted on 21 September 2015 when the Stillcanna Shares were admitted to trading on the CSE. The Stillcanna Shares were subsequently quoted on the OTC Pink on 31 May 2019 and on the FSE on or around 1 March 2019. On 15 March 2019, Stillcanna changed its business from being a mining company to a life science company.

The Company’s common shares is expected to be admitted to trading on the Canadian Securities Exchange on or around 23 September 2020, having acquired the entire issued share capital of Sativa Group plc. Sativa, through its subsidiaries, operates five separate businesses: Goodbody Botanicals, Sativa’s primary retail subsidiary which sells CBD products online and on the high street; Goodbody Wellness, Sativa’s high street retail store offering and prestige CBD wellness centre brand; Tessellate Collective, a bespoke direct sales channel operated through a custom-built social marketing platform; PhytoVista Laboratories, an independent analytical hemp and CBD testing facility providing support to retailers, distributors and manufacturers by expertly testing the cannabinoid level of the hemp and CBD products they are supplying and also for contaminants; and Sativa Cultivation and Extraction, which cultivates and extracts high THC medicinal cannabis under Home Office licence for research purposes, to fulfil its research partnership with King’s College London, and continued research by the Sativa Group into the formulation of veterinary CBD medicines.

Stillcanna, through its subsidiaries Borganic and Olimax NT, has built two high volume extraction facilities – one in Romania (“Origin Facility”) and one in Poland (“Nexus Facility”). The Origin Facility, a joint venture between Borganic and Dragonfly Biosciences of the UK is based in the municipality of Bailesti in the southwestern region of Dolj in Romania. The Origin Facility is a custom engineered, closed loop ethanol extraction system dedicated to the extraction of bulk CBD Isolate and CBD Distillate in bulk designed to process up to 3,000 pounds of industrial hemp biomass daily. The facility has been built to EU GMP (Good Manufacturing Practices) standards. The Nexus Facility, based in Bilcza, Kielce in southern Poland implements a closed-loop ethanol extraction system cooled with liquid nitrogen throughout its multi-step process. The entire finished system flows from initial soaking and winterization to filtration, distillation, purification and finally chromatography to produce both CBD Distillate and CBD Isolate. The installed commercial-scale falling film distillation units are capable of distilling up to 7,200 litres of CBD rich ethanol per day. The Nexus Facility is designed to comply to Hazard Analysis Critical Control Points (HACCP) standards, and is implementing a food safety management system.

Detailed information on Sativa Wellness can be found in both the Scheme of Arrangement circular dated 22 July 2020 and the Stillcanna Management Information Circular dated 28 July 2020.

NAME OF AQSE EXCHANGE CORPORATE ADVISER:
Peterhouse Capital Limited
NUMBER, CLASS AND PAR VALUE OF SECURITIES TO BE ADMITTED:
302,594,773 common shares, having no par value

SECURITIES IN PUBLIC HANDS AS A PERCENTAGE OF THE TOTAL NUMBER OF SECURITIES IN ISSUE (excluding securities held in treasury):

The percentage of securities in public hands (as defined in the AQSE Growth Market Rules for Issuers) is approximately 63 per cent.

SHAREHOLDERS HOLDING MORE THAN FIVE PER CENT OF THE APPLICANT'S SHARE CAPITAL OR VOTING RIGHTS PRE- AND POST-ADMISSION:

Jeremy Thomas	78,406,380	26%
Ken Lawrence	15,189,841	5%

TIMETABLE FOR ANY OFFER OF TRANSFERABLE SECURITIES TO THE PUBLIC:

N/A

THE EXPECTED ADMISSION DATE:

23 September 2020

WEBSITE ADDRESS WHERE INVESTOR INFORMATION WILL BE AVAILABLE FOR INSPECTION:

www.Sativawellnessgroup.com

Company Documents

The Company Documents pertaining to the listing on the CSE can be found on SEDAR at <https://www.sedar.com/>.

In respect of a fast-track applicant, the following information should also be included:

NAME OF MARKET ON WHICH THE APPLICANT'S SECURITIES ARE CURRENTLY TRADED:

Canadian Securities Exchange

The Common Shares will continue to trade on the OTC and the FSE. The Company will have a dual listing with its Common Shares fully fungible through a Depositary Interest ("DI"). The DIs will carry the same ISIN as the Common Shares listed in Canada on the CSE. The ISIN number is CA86071P1071.

ARRANGEMENTS FOR THE SETTLEMENT OF TRANSACTIONS IN THE APPLICANT'S SECURITIES:

The Common Shares are eligible for CREST settlement. There are no restrictions on the transfer of Common Shares, excepting as outlined in the paragraph below.

About the Depositary Interests

The Depositary Interests will be independent securities constituted under English law and will be held on a register maintained by Computershare Investor Services Plc ("Depositary"). Depositary Interests will have the same ISIN as the underlying Common Shares and do not require a separate admission to the AQSE Growth Market.

Each Depositary Interest will be treated as one Common Share for the purposes of, for example, determining eligibility for dividend payments. Any payments received by the Depositary, as holder of the Common Shares, will be passed on to each Depositary Interest holder noted on the Depositary Interest register as the beneficial owner of the relevant Common Shares.

All Common Shares will remain listed on the CSE. Shareholders wishing to migrate their holdings of Common Shares between the CSE and the AQSE Growth Market and vice versa can do so by contacting the Depository on + 44 (0)370 702 0000.

Application is being made by the Depository for Depository Interests, which represent the underlying Common Shares, to be admitted to CREST following admission to the AQSE Growth Market.

The issuance of any fund raisings will be completed in reliance upon exemptions from the prospectus requirements of the securities legislation of the provinces and territories of Canada. Accordingly, certificates representing any fund raisings may include legends in accordance with applicable Canadian securities laws and regulatory policies, in addition to the CSE Rules, which shall state that unless permitted under securities legislation, the holder of such securities shall not trade them until the date that is four months and one day after the date of distribution thereof.

In addition, Computershare Investor Services Inc. will place a restriction on the Company's Common Shares issued and traded outside of Canada, such that such shares cannot be transferred through CREST to the Company's Canadian share register for a period of four months and one day from the completion of any fund raisings announced through a Regulatory Information Service provider.

Notwithstanding the imposition of such legends and restrictions, such trading restrictions in relation to any fund raisings will not restrict the settlement of trades in the form of Depository Interests through CREST provided that certain conditions are satisfied in order for the Company to rely upon exemptions from the prospectus and registration requirements under applicable Canadian securities laws. In particular, each of the following conditions should be satisfied:

1. any Common Shares issued pursuant to a fund raising should not be sold to a purchaser resident in Canada;
2. any participant pursuant to a fund raising certifies that the participant is not a resident in Canada; and
3. the fund raising Common Shares issued will not be acquired with a view to reselling the Common Shares, for a period of four months and one day from completion of the fund raising, to a resident in Canada.

DETAILS OF ANY LOCK-IN ARRANGEMENTS:

Under the policies of the Canadian Securities Exchange, on the Effective Date certain Scheme Shareholders who will be "related persons" of Stillcanna will be required to enter into a Resulting Issuer Escrow Agreement with Stillcanna and the Escrow Agent. In particular, this will include all those individuals that are to be directors or officers of Stillcanna, together with anyone that will hold 10% or more of the Stillcanna Shares in issue following completion of the Acquisition. Those parties required to enter into a Resulting Issuer Escrow Agreement shall be the following "Locked-In Parties":

Name	Number of New Stillcanna Shares	Number of New Stillcanna Options/ New Stillcanna Warrants
Jeremy Thomas	78,407,125	12,465,008
Henry Lees-Buckley	-	10,052,195
Mark Blower	2,010,439	3,015,669
Jonathan Wearing	16,754	-
Angus Kerr	-	744,607
Joseph Colliver	-	3,642,705
Anne Tew	83,768	839,831

In addition, Jason Dussault will enter into a Resulting Issuer Escrow Agreement with Stillcanna and the Escrow Agent in respect of 110,000 existing Stillcanna Shares and 350,000 existing Stillcanna options.

DETAILS OF THE LEGAL OR REGULATORY REQUIREMENTS IN THE APPLICANT'S HOME COUNTRY REGARDING THE CONDUCT OF TAKEOVERS AND THE ACQUISITION OF SIGNIFICANT VOTING RIGHTS TO WHICH THE APPLICANT IS SUBJECT:

City Code on Takeovers and Mergers

The Company is not subject to the UK City Code on Takeovers and Mergers. The Company filed with the securities regulatory authority in the provinces of Ontario, British Columbia and Alberta (the "Qualifying Jurisdictions") in connection with its listing of its Common Shares on the Canadian Securities Exchange. It is emphasised that the Company will not be subject to the City Code on Takeovers and Mergers will not apply to the Company.

However, Canadian laws applicable to the Company provide for early warning disclosure requirements and for takeover bid rules for bids made to security holders in the Qualifying Jurisdictions.

In Canada, takeover bids are governed by applicable corporate and securities legislation in each province or territory in addition to policy and instruments implemented by Canadian Securities Administrators, which is an umbrella organisation of Canada's provincial and territorial securities regulators. Under the laws of the Province of Alberta, Ontario and British Columbia, the jurisdictions in Canada in which the Company is a reporting issuer, when any person (an "offeror") acquires, except pursuant to a formal take-over bid, beneficial ownership of, or the power to exercise control or direction over, or securities convertible into, voting or equity securities of any class of a reporting issuer that, together with such offeror's securities of that class, would constitute 10 per cent or more of the outstanding securities of that class, the offeror must immediately issue and file a press release announcing the acquisition and file a report of such acquisition with the applicable securities regulatory authorities within two business days of the acquisition.

In Alberta, Ontario and British Columbia and other Canadian jurisdictions, a take-over bid is generally defined as an offer to acquire outstanding voting or equity securities of a class made to any holder in the jurisdiction of securities subject to the offer to acquire, if the securities subject to the offer to acquire, together with securities held by the offeror and any person acting jointly or in concert with the offeror, constitute in aggregate 20 per cent, or more of the outstanding securities of that class of securities at the date of the offer to acquire. Subject to limited exemptions, a takeover bid must generally be made to all holders of securities of the class that is subject to the bid who are in the jurisdiction and must allow such security holders 105 days to accept the bid unless otherwise agreed to by the board of the target company that a shorter timeframe shall apply. Unless exemptions are available, the offeror must deliver to the security holders a takeover bid circular which describes the terms of the take-over bid and the directors of the reporting issuer must deliver a directors' circular not later than 15 days after the date of the bid, either making or declining to make a recommendation to security holders to accept or reject the bid and the reasons for their making or not making a recommendation.

While provincial securities laws in Canada only regulate offers to residents of the particular province, the Canadian Securities Administrators have adopted a policy whereby they may issue a cease trade order prohibiting the trading of the securities of a company if a takeover bid is not made to all Canadian security holders.

In respect of an update to a prior application announcement, the date of the original announcement should also be disclosed as follows:

UPDATE TO A PRIOR APPLICATION ANNOUNCEMENT RELEASED ON:

N/A