



Lineage Grow Company Ltd.
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LINEAGE INVESTS IN PENNSYLVANIA

Toronto, Ontario – Lineage Grow Company Ltd. (the "**Company**" or "**Lineage**") (**CSE:BUDD**) is pleased to announce that it has entered into an agreement (the "**Investment Agreement**") with a Pennsylvania-based medical marijuana company (the "**Investee**") to finance the Permit Fee (the "**Permit Fee**") associated with the Investee's application for a Grower/Processor Permit under the Pennsylvania Medical Marijuana Program (the "**Application**").

Pursuant to the Investment Agreement, Lineage has provided the Investee with USD \$200,000 to finance the Permit Fee for the Application. In exchange, Lineage is entitled to 20% of the Investee's common membership interests (the "**Equity Interest**"). If the Investee is not awarded the Permit, the Permit Fee shall be refunded to Lineage.

Should the Application be approved, Lineage and the Investee shall engage in negotiations regarding an investment on behalf of Lineage to finance the construction, development and operation of a medical marijuana grow/processing facility in Duquesne, Pennsylvania (the "**Phase 2 Investment**"). If Lineage and the Investee are unable to reach mutually-agreeable terms regarding the Phase 2 Investment, the Permit Fee shall be refunded to Lineage and the Investee shall adjust the Equity Interest such that Lineage would own 25% of the Investee's common membership interests.

In June 2017, 12 Grower/Processor and 27 Dispensary Permits were granted by the Commonwealth of Pennsylvania, of which the Investee was successful in securing a Dispensary Permit to operate 3 medical marijuana retail locations. On April 5, 2018, Pennsylvania's Department of Health launched the Second Phase of its Medical Marijuana Program (the "**Pennsylvania Program**") and announced that 13 Grower/Processor permits would be made available via a competitive application process in which the Investee is participating.

As of March 22 2018, 25,573 patients had registered to participate in the Pennsylvania Program, 9,020 patient certifications had been issued, and 6,683 patients had purchased medical marijuana. With a population of approximately 12.8 million people, an extensive list of applicable conditions and only 25 Grower/Processor Permits, Pennsylvania is poised to emerge as a robust medical marijuana market with exceedingly attractive supply and demand dynamics for growers and processors.

"We see this as a potentially transformative investment for Lineage," said Peter Bilodeau, CEO of Lineage. "The ability to secure a foothold in a market like Pennsylvania with high barriers to entry and attractive long-term growth prospects is indicative of our aggressive M&A expansion strategy. Furthermore, our investment risk is mitigated while our upside is significant, and we believe we've aligned ourselves with a strong partner who has successfully secured a Pennsylvania Dispensary Permit in the past."

About Lineage Grow Company Ltd.

Lineage Grow Company Ltd. is a reporting issuer that is listed on the Canadian Securities Exchange ("**CSE**"). Lineage is focused on assembling licensed operators with good growth potential and superior management, either through direct acquisition or through joint ventures, with an aim towards a dominant vertically-integrated cannabis business that leverages best-in-class cultivation, brands, distribution, and retail assets. Lineage is targeting legalized cannabis markets across multiple jurisdictions in the United States and Canada and is seeking to deploy best practices in cultivation, branding, distribution, and retail management to drive performance across the Company's asset base. Lineage has entered into binding letters of intent to purchase two cannabis dispensaries in Oregon, one in San Jose, California, and a 35% interest in one in Maryland.

For further information, please contact:

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This news release may contain forward-looking statements and information based on current expectations. Any such forward-looking statements may be identified by words such as "expects", "anticipates", "believes", "projects", "plans" and similar expressions. Forward looking information in this news release includes the following statements: (i) If the Investee is not awarded the Permit, the Permit Fee shall be refunded to Lineage; (ii) Pennsylvania is poised to emerge as a robust medical marijuana program with exceedingly attractive supply and demand dynamics for growers and processors; (iii) We see this as a potentially transformative investment for Lineage; (iv) The ability to secure a foothold in market like Pennsylvania with high barriers to entry and attractive long-term growth prospects is indicative of or aggressive expansion strategy; and (v) our investment risk is mitigated while our upside is significant, and we believe we've aligned ourselves with a strong partner who has successfully secured a Dispensary Permit in the past. These statements should not be read as guarantees of future performance or results. Such statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from those implied by such statements. Such risks include operational risks; U.S. federal regulation risks; variation in state regulations; change of cannabis laws; security risks; risks related to operational permits and authorizations; risks on liability, enforcement complaints etc.; banking risks; risk that the Company's limited operating history makes evaluating its business and prospects difficult; need for funds; risk that the Company may be exposed to infringement or misappropriation claims by third parties, which, if determined adversely to the Company, could subject the Company to significant liabilities and other costs; risk that the Company may need to incur significant expenses to enforce its proprietary rights, and if the Company is unable to protect such rights, its competitive position could be harmed; risks related to trade secrets; risk that Company is dependent upon its existing management, its key research and development personnel and its growing and extraction personnel, and its business may be severely disrupted if it loses their services; risk of potential for conflict of interest; risk related to inability to innovate and find efficiencies; competition risks; risk that a drop in the retail price of medical marijuana products may negatively impact the business; consumer acceptance of marijuana; potential future acquisitions and/or strategic alliances may fail to materialize and may have an adverse effect on the Company's ability to manage its business; risk on management of growth; risk related to general economic trends; tax risk and currency fluctuation risks. For details of the risks faced by the Company, please see the Company's listing statement dated February 26, 2018 available at www.sedar.com under the Company's profile. There is no certainty that any of these events will occur. Although such statements are based on management's reasonable assumptions, there can be no assurance that such assumptions will prove to be correct. All forward-looking information herein is qualified in its entirety by this cautionary statement, and the Company disclaims any obligation to revise or update any such forward-looking information or to publicly announce the result of any revisions to any of the forward-looking information contained herein to reflect future results, events or developments, except as required by applicable securities laws.