



Lineage Grow Company Ltd.
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LINEAGE TO ACQUIRE CALIFORNIA LICENSED PRODUCER AGRIS FARMS

Toronto, Ontario – Lineage Grow Company Ltd. (the "**Company**" or "**Lineage**") (**CSE:BUDD**) is pleased to announce that it has entered into an agreement under agreed term sheet (the "**Agreement**") to acquire California-based Walnut Oaks, LLC d/b/a Agris Farms ("**Agris Farms**") (the "**Transaction**"). Agris Farms operates a premium quality craft cannabis cultivation facility in Northern California.

Transaction Overview

Agris Farms operates a fully-licensed and fully-operational 40,500 sq. ft. ultra-low-cost greenhouse facility and a 3,000 sq. ft. craft-style indoor facility in Yolo County, California (the "**Yolo Grow**"). The Yolo Grow is in commercial production with annual production capacity of 6,000 lbs. of premium quality craft cannabis.

Under this agreement in a separate company, the principals of Agris Farms are developing a 55,000 sq. ft. state-of-the-art integrated indoor cultivation and extraction facility in Sacramento California (the "**Sacramento Project**"). The Sacramento Project has a Conditional Use Permit ("**CUP**") pending, currently under review by the City of Sacramento and will provide an additional 25,000 sq. ft. of craft-style indoor canopy as well as 10,000 sq. ft. of production space dedicated to manufacturing high-margin concentrate and branded products. In connection with the Transaction, Lineage will have an option to acquire the Sacramento Project.

The assets acquired in the Transaction will provide Lineage with the in-house cultivation capability to achieve a vertically integrated model in California as the Company is also working towards completing the previously announced acquisition of Lucrum Enterprises Inc., d/b/a LUX Cannabis Dispensary which operates one of San Jose's sixteen licensed dispensaries.

Management Commentary

Peter Bilodeau, CEO of Lineage, commented - "This acquisition is transformative for Lineage and will provide the Company with foundational assets to execute on our California expansion strategy. We've examined multiple opportunities to establish craft cultivation capabilities in California, and Agris Farms stood out with their proven ability to deliver a premium quality craft product on a commercial scale. We look forward to working with Agris Farms to leverage their management, operations, and know-how as we seek to further penetrate the California market."

Menna Tesfason, CEO and founder of Agris Farms, commented - "We're excited by this partnership with Lineage, a company we view as having tremendous growth opportunities in California and beyond. This transaction will enable Agris Farms to capitalize on its first-mover advantage as a leading fully-compliant craft cannabis cultivator in California."

Transaction Details

Pursuant to the Agreement, Lineage will acquire a 51% interest in Agris Farms based on an implied enterprise value of USD \$6,600,000. Consideration for the Transaction will be in the form of stock and the assumption of liabilities. Lineage will have an option to acquire the remaining 49% of Agris Farms within 6-months from closing for stock consideration.

Lineage will also have an option to acquire the Sacramento Project, within 6 months of closing or upon issuance of the Sacramento CUP, for stock consideration of USD \$2.4 million.

Further transaction details will be disclosed upon completion of a definitive agreement.

The above Transactions are subject to a number of conditions, including but not limited to, final due diligence by the respective parties, execution of a definitive acquisition agreement which shall supersede the Agreement, receipt of applicable corporate approvals, and other regulatory and/or governmental approval. There can be no assurance that the Transactions will be completed as proposed or at all.

FMI Capital Advisory Inc. is acting as exclusive financial advisor to Lineage in connection with the Transactions.

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. In addition, Lineage has entered into an agreement to acquire a 35% interest in a dispensary in Maryland and another agreement for a 20% interest in a grower/processor permit applicant in Pennsylvania.

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) Lineage to acquire; (ii) ultra-low-cost; (iii) references to production capacity (iv) The assets acquired in the Transaction will provide Lineage with the in-house cultivation capability to achieve a vertically integrated model in California; (v) the Company is also working towards completing the previously announced acquisition of Lucrum Enterprises Inc.; (vi) the transformative nature of the Transaction; (vii) Agris Farms' cultivation capabilities; (viii) Lineage leveraging Agris Farm's operations and know-how; (ix) references to Lineage's growth opportunities and Agris Farms' ability to capitalize on its first-mover advantage; (x) terms of the transaction; and (xi) 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. 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.