

# Liht Cannabis Corp. Announces Share Exchange Agreement with Late-Stage Applicant "Buds For You Inc." and Corporate Update

**KELOWNA, BRITISH COLUMBIA** – April 22, 2019 – **Liht Cannabis Corp. (CSE: LIHT) (OTCQX: LIHTF)** ("**Liht**" or the "**Company**"), a Nevada licensed cannabis cultivator and producer is pleased to announce that on April 18, 2019, it has entered into a Share Exchange Agreement (the "**Agreement**") with Buds For You Inc. ("**Buds For You**"), a late-stage cannabis cultivation, processing, and sales license applicant under the Cannabis Act, to acquire all of its issued and outstanding shares. The Company will attach to and replace the existing property under the license application with its property located in Chase, British Columbia (the "**Chase Property**"). Health Canada has confirmed approval of the transfer of the license application consisting of a cultivation, processing, and sales license (collectively, the "**License**"), to the Chase Property.

The Chase Property is 120 acres in size and will allow for a total of 486,000 ft<sup>2</sup> footprint after all projected expansions are completed. As announced by the Company on February 6, 2019, the project will be funded and jointly developed with 1186626 B.C. Ltd. with an approximate cost to lock-up stage of C\$81,600,000. 1186626 B.C. Ltd. holds the title to the Chase Property and has committed towards the joint venture. All required surveys of the Chase Property have been completed and ground-breaking for the initial 30,000 ft<sup>2</sup> building is planned for May 2019. The Chase Property site offers many advantages for a large-scale cannabis cultivation operation, including access to labour from the surrounding area and future distribution due to its close proximity to Highway 1, the main route of the Trans-Canada Highway through British Columbia. Additionally, the site has multiple naturally-occurring springs, which is anticipated to provide an abundance of water for cultivation operations. Using the Company's state-of-the-art, proprietary cultivation technology, combined with organic growing methods, the Chase Property intends to target a standard of quality for its products far above the current organic curriculum for cannabis consumer consumption.

Rahim Mohamed, CEO of Liht, commented, "The addition of a second Health Canada cultivation license application further validates Liht's strategy to become a premier, large-scale cannabis producer for the North American cannabis market. In conjunction with our **Las Vegas** production facilities, which supply the Nevada market, and our **Celista** location in British Columbia, we anticipate that this third cultivation location will provide Liht with the capacity to supply organic cannabis to consumers across British Columbia and throughout Canada."

Pursuant to the Share Exchange Agreement (the "**Agreement**"), the Company has issued 250,000 common shares of the Company's at a deemed price of C\$0.22 per common share to the sole shareholder of Buds For You (the "**Shareholder**"). Additionally, a non-refundable cash deposit of C\$250,000 (the "**Deposit**") has been advanced to the Shareholder. Upon closing of the Agreement, Liht will acquire all of the issued and outstanding shares of Buds For You in exchange for an additional C\$750,000 cash payment (the "**Purchase Price**") and a 5% perpetual gross royalty (the "**Royalty**") on all sales and other income from cannabis derived by the Company or Buds For You from the Chase Property location where the License is

assigned to, but excluding all refunds, credits and discounts made in good faith, including taxes or equivalent losses which are collected by the Company or Buds For You, and on behalf, of any governmental body. The closing of the Agreement is contingent on certain conditions being met by the Shareholder, including Health Canada granting the License under the Cannabis Act.

In connection with the Agreement, the Company has entered into a Finders' Fee Agreement (the "**Finders' Fee**"), whereby certain eligible finders will receive, upon closing of the Agreement, a payment as per TSX Venture Policy 5.1 Section 3.3. The Finders' Fee will be calculated on the gross consideration payable under the Agreement of C\$1,055,000, including the 250,000 common shares issued pursuant to the Agreement and the specified Deposit and Purchase Price but excluding the Royalty . Consideration payable in respect of the Finders' Fee will consist of common shares in the capital of the Company at a deemed price equal to the closing price of the Company's common shares on the Canadian Securities Exchange ("**CSE**") on the date of execution of the Agreement.

All shares to be issued pursuant to the Agreement and Finder's Fee will be subject to resale and transfer restrictions as prescribed by applicable securities laws and will not be registered under any securities legislation in the United States, including the United States *Securities Act of 1933*, as amended.

## **Nevada Update**

### ***Extraction Facility and Distribution License***

The Company's Nevada extraction room at this production facility is currently in its final construction phase and is intended to be operational within one (1) month. Once construction is completed and extraction operations begin, the Company intends to extract its reserve of high-quality, organic cannabis from its first Las Vegas harvest. The Company anticipates this will allow it to realize the highest possible prices and margin on its cultivation and extraction operations in Nevada.

As announced on April 11, 2019, the Company is required to purchase and gain inspection approval of a qualified delivery vehicle before the Nevada distribution license can be granted. To this end, the Company will order a Ford Transit delivery truck, compliant with California-emissions standards and complete with a refrigeration system running on rechargeable batteries. The delivery vehicle will have full tracking software installed through Trackloop, an end-to-end, vertically-integrated hardware/software company, for real-time monitoring, planning, and analytics of the Company's supply chain. Once the Company takes possession of the vehicle, and the required inspections are complete, the last condition to receiving its Nevada distribution license will be satisfied.

### ***Testing Milestone***

The Company has received strong test results from third-party testing facilities for its first harvest, showing 25.98% THC and over 30.00% total cannabinoids. These results are from a single strain of the Company's cannabis and further results are expected shortly. This organically grown strain's strong test results further validate the Company's organic growing methodology and demonstrate its ability to produce premium cannabis products for the Nevada market.

## **Restricted Stock Unit ("RSU") and Stock Option Grant**

Pursuant to the Company's Restricted Share Unit ("RSU") Plan, it has awarded 12,900,000 RSUs to certain directors and officers of the Company. The RSUs will vest over a period of one (1) year and entitle the holders thereof to receive one common share for each RSU vested.

Additionally, pursuant to the Company's Stock Option Plan, it has granted options to acquire 750,000 common shares to an officer of the Company, at an exercise price of C\$0.22 per share for a period of five (5) years. The Options vest over a period of one (1) year.

## **Management Transition**

The Company further announces that Ms. Linda Sampson and Ms. Rene Wolfe will transition from their current roles with the Company to provide new opportunities for strategic hires that bring the necessary skillsets for the anticipated expansion the Company envisions. Through their dedication and tireless efforts, the contributions of Ms. Sampson and Ms. Wolfe have helped drive Company's growth and scale. Ms. Sampson and Ms. Wolfe have agreed to continue to support the Company in all areas that may be required, including with respect to licensing and administration, during this transitional period. This transition will remain in place as long as the Company requires by mutual agreement between all parties. Liht would like to take this opportunity to thank Ms. Sampson and Ms. Wolfe for their valued and dedicated service and wishes each every success in their future endeavours.

## **ABOUT LIHT CANNABIS CORP.**

Liht Cannabis Corp. is a publicly traded company investing in the medical and recreational cannabis space since 2014. Liht has rapidly expanded to include cultivation, production and dispensary locations in the key North American states of Washington, Nevada, and California, and are seeking expansion opportunities worldwide.

[www.lihtcannabis.com](http://www.lihtcannabis.com)

## **FOR FURTHER INFORMATION:**

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## **SOCIAL MEDIA:**

[twitter.com](https://twitter.com)  
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## **STOCK EXCHANGES:**

Liht trades in Canada, ticker symbol LIHT on the CSE, and in the United States, ticker symbol LIHTF on the OTCQX. The Company also trades on other recognized platforms in Europe including Stuttgart, Tradegate, L & S, Quotnx, Dusseldorf, Munich, and Berlin.

Neither the CSE nor its Regulation Services Provider, nor the OTCQX® has approved nor disapproved the contents of this press release. Neither the CSE, nor the OTCQX® accepts responsibility for the adequacy or accuracy of this release.

## **MARIJUANA INDUSTRY INVOLVEMENT:**

Canadian listings (CSE) will remain in good standing as long as they provide the disclosure that is rightly required by regulators and complying with applicable licensing requirements and the regulatory framework enacted by the applicable state in which they operate.

Liht owns marijuana licenses in California and Nevada. Marijuana is legal in each state however marijuana remains illegal under US federal law and the approach to enforcement of US federal law against marijuana is subject to change. Shareholders and investors need to be aware that adverse enforcement actions could affect their investments and that Liht's ability to access private and public capital could be affected and or could not be available to support continuing operations.

Liht's business is conducted in a manner consistent with state law and is in compliance with licensing requirements. Copies of licenses are posted on Liht's website. Liht has internal compliance procedures in place and has compliance focused attorneys engaged in jurisdictions to monitor changes in laws for compliance with US federal and state law on an ongoing basis. These law firms inform any necessary changes to our policies and procedures for compliance in Canada and the US.

## **FORWARD – LOOKING STATEMENTS:**

Certain statements in this release are forward-looking statements, which includes, the expected outcomes of its business, obtaining final approval of license from the Nevada Department of Taxation, expansion of its Las Vegas facility and increased production capacity and sales, divestiture of California and Washington assets, and other matters. Forward-looking statements consist of statements that are not purely historical, including any statements regarding beliefs, plans, expectations or intentions regarding the future. Such information can generally be identified by the use of forwarding looking wording such as “may”, “expect”, “estimate”, “anticipate”, “intend”, “believe” and “continue” or the negative thereof or similar variations. Readers are cautioned not to place undue reliance on forward-looking statements, as there can be no assurance that the plans, intentions or expectations upon which they are based will occur. By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, estimates, forecasts, projections and other forward-looking statements will not occur. Forward-looking statements are necessarily based upon a number of factors that, if untrue, could cause the actual results, performances or achievements of the Company to be materially different from future results, performances or achievements express or implied by such statements. These assumptions, risks and uncertainties include, among other things, the state of the economy in general and capital markets in particular, present and future business strategies, the environment in which the Company will operate in the future, and other factors, many of which are beyond the control of the Company. While such estimates and assumptions are considered reasonable by the management of the Company, they are inherently subject to significant business, economic, competitive and regulatory uncertainties and risks.

Forward-looking statements are subject to a variety of risks and uncertainties, which could cause actual events, level of activity, performance or results to differ materially from those reflected in the forward-looking statements, including, without limitation: that laws and regulations may become more onerous; the ability of the Company to obtain necessary financing; the economy generally; the future growth, results of operations, performance and business prospectus and opportunities; changes in and the effect of government policies; demand for products; competition; anticipated and unanticipated costs; reliance on management; claims and legal proceedings; conflicts of interest; and market price and volatility of the Common Shares. Factors that could cause actual results to differ materially from those in forward-looking statements include, but are not limited to, continued availability of capital and financing and general economic, market or business conditions, the loss of key directors, employees, advisors or consultants, technology failures, failure to obtain a license from Health Canada or from other government agencies, failure to develop new and innovative products, failure of counterparties to perform their contractual obligations and fees charged by service providers. Important factors that could cause actual results to differ materially from the Company's expectations include, litigation, global economic climate, loss of key employees and consultants, additional funding requirements, changes in laws, competition, and failure of counterparties to perform their contractual obligations. Forward-looking statements contained in this news release are expressly qualified by this cautionary statement. Investors are cautioned that forward-looking statements are not guarantees of future performance or events and, accordingly are cautioned not to put undue reliance on forward-looking statements due to the inherent uncertainty of such statements.

The forward-looking statements contained in this news release are made as of the date of this news release. Except as required by law, the Company disclaims any intention and assumes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Additionally, the Company undertakes no obligation to comment on the expectations of, or statements made by, third parties in respect of the matters discussed above. The Canadian Securities Exchange has not reviewed, nor approved the contents of this news release.