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Citation Growth Corp. (formerly, Liht Cannabis Corp.) Announces Definitive Agreement to Acquire Premium Cannabis Cultivator, ACC Group of Companies, to Establish Nevada Cannabis Cultivation and Brand Powerhouse

KELOWNA, BRITISH COLUMBIA – June 17, 2019 – **Citation Growth Corp.** (formerly Liht Cannabis Corp.) (CSE: CGRO) (OTCQX: LIHTD) ("**Citation**" or the "**Company**"), a licensed cannabis cultivator and producer, is pleased to announce that, further to the Company's press release dated May 24, 2019, it has executed a definitive agreement (the "**Definitive Agreement**") to acquire all of the equity interests of the **ACC Group of Companies** ("**ACC**"), a Nevada-based group of companies licensed for cannabis cultivation and well-known for its award-winning cannabis cultivars. Following the completion of the transaction contemplated in the Definitive Agreement (the "**Proposed Transaction**"), the Company believes the integration of ACC will reaffirm Citation's continuing corporate growth strategy: to become a leading multi-state operator (**MSO**) of cannabis cultivation and production assets across the United States and Canada, as legislation and regulations may permit.

Rahim Mohamed, Chief Executive Officer of Citation, reiterated his earlier comments, stating, "Citation believes the accretive benefits derived from the acquisition of ACC, which includes the group's advanced cannabis cultivars program, will provide Citation with an experienced and operationally diverse cannabis industry partner with which to progress our triple-organic-certified cultivation program – to set new industry standards for quality, cost, and margin in every jurisdiction in which we operate." Mr. Mohamed continued, "Citation anticipates the superior quality, capacity, and reputation afforded by the acquisition of ACC will transform our Nevada program and position the company to become *the* pre-eminent cannabis cultivator and producer in the state."

Following the closing of the Proposed Transaction (the "**Closing**"), Citation believes that it will have completed a key strategic alignment in the State of Nevada, providing the launchpad to become a dominant cultivator and distributor of premium cannabis products to the State's vibrant medical and recreational markets. The Company further anticipates that the integration of ACC's innovative agronomic ability and cannabis marketing infrastructure will help bolster Citation's considerable triple-organic-certified cannabis cultivation and production experience.

Following the Closing of the Proposed Transaction, Citation anticipates that the acquisition of ACC will:

- create one of the largest license holders for cultivation in the State of Nevada, with an estimated, consolidated licensed footprint for the combined entity of up to **569,600 ft²**, including up to 16,000 ft² in processing space for cannabis concentrates and edibles, assuming the successful completion of all proposed site phases, with an estimated capital expenditure requirement for the combined entity of approximately US\$90MM, which the Company anticipates will be made available through

a combination of equity and non-dilutive debt financings, as well as from the reinvestment of profits generated from the Company's operations;

- significantly enhance Citation's Nevada operations by combining the Company's comprehensive experience in organic cultivation techniques with ACC's award-winning seed genetics program, fostering a new, premium cannabis powerhouse in the State of Nevada, and any such other jurisdictions it may enter, as regulations and legislation may permit;
- provide the opportunity to build upon ACC's successful CY2018 management estimated unaudited financial performance, where it achieved revenue of approximately **US\$7.9MM**, gross margin of approximately **57%**, and adjusted EBITDA of approximately **US\$1.0MM**;
- provide Citation with an approximate ACC management-estimated, annualized **US\$114MM** in additional forward-looking revenue, at an ACC management-estimated, annualized EBITDA margin of approximately **25%**, assuming the completion of all proposed phases and maximum operational efficiencies being realized, with an estimated capital expenditure requirement of approximately US\$50MM; and
- enhance the Company's suite of portfolio products with the addition of three (3) new, established brands within the State of Nevada, including **BluntBox**, **Garden of Weeden**, and **Superior**, to complement Citation's established **FIORE** cannabis flower brand.

Howard Misle, who will be joining Citation as the Company's Chief Executive Officer upon the Closing of the Proposed Transaction, restated his earlier comments, "ACC has been pleased to observe the significant traction and rapid growth achieved by the Citation team since its entrance into the Nevada cannabis market, while also noting Citation's reputation is quickly becoming synonymous with success, innovation, and high-quality production." Mr. Misle added, "In electing to partner with Citation and its experienced management team, ACC believes it will gain the expanded platform and capital markets support network necessary to leverage our collective success, allowing for an eye toward future growth outside of the State of Nevada." Following the appointment of Howard Misle as Chief Executive Officer, Rahim Mohamed will serve as President of the Company.

Terms of the Proposed Transaction

Upon the Closing of the Proposed Transaction, it is intended that the Company will issue an aggregate 35,000,000 common shares (the "**Consideration Shares**") to the former securityholders of the parent ACC entity, which amount shall be inclusive of the approximately 11,500,000 in Company common shares ("**Common Shares**") issuable upon the conversion of the ACC Amended Notes (as defined below).

The parent ACC entity currently has approximately US\$15,000,000 in convertible notes (the "**Notes**") outstanding. As a condition of the Proposed Transaction, the holders of the Notes have agreed to restructure the Notes such that all principal and interest outstanding at the time of Closing will convert into Company units comprised of one (1) Consideration Share and one (1) Common Share purchase warrant (the "**Amended Warrants**"), with each full Amended Warrant exercisable at C\$2.50 per Common Share for a period of twenty-four (24) months following the Closing (the "**ACC Amended Notes**"). The Amended Warrants will contain an acceleration provision such that in the event the volume-weighted average trading price of the Common Shares on the Canadian Securities Exchange ("**CSE**") is greater than C\$3.50 for a period of ten (10) consecutive trading days, the Company may, upon providing notice to the holders of the Amended Warrants, accelerate the expiry of the Amended Warrants to a period that is thirty (30) days from the date such notice is given.

All Consideration Shares (including Common Shares issuable upon the exercise of the Amended Warrants) issued to management of ACC pursuant to the Proposed Transaction will be subject to three (3) year escrow provisions ("**Escrow**") substantially similar of those that are required for an emerging issuer under National Policy 46-201 *Escrow for Initial Public Offerings*. All other Consideration Shares, including any Consideration Shares issued in exchange for outstanding convertible securities in the parent ACC entity, shall be subject to resale restrictions which will not allow for any resale or transfer until the date that is four (4) months and one (1) day following completion of the Proposed Transaction.

Further, subject to the policies of the CSE and applicable securities legislation, the Company and ACC will negotiate in good faith to implement a management incentive plan allowing for the issuance of up to US\$10,000,000 in Common Shares, based upon the achievement of certain performance milestones for each its Canadian and United States ("**U.S.**") operations.

Equity and Debt Financing

As announced in the Company's press release dated May 24, 2019, the Company intends to undertake an equity financing of up to US\$10MM. The net proceeds of the proposed equity financing are intended to be directed toward: (a) further development of the Company's Celistra, British Columbia property, which will include planned construction of up to 20,000 ft² of indoor cultivation space and the securing of a temporary cannabis cultivation license under the *Access to Cannabis for Medical Purposes Regulations* (ACMPR) and the *Cannabis Act* (Canada), which management of the Company estimates will require approximately US\$2.45MM in initial capital expenditures for the collective activities; and (b) following the Closing, the expansion of ACC's current cultivation and production footprint in Pahrump, Nevada by an additional 31,600 ft², which management of ACC estimates will require approximately US\$4.05MM in initial capital expenditures. Any net proceeds from the proposed equity financing that remain uncommitted will be directed toward the exploration of additional growth opportunities, working capital, and general corporate purposes. To complement the equity financing, and as previously announced, the Company will also pursue a potential debt financing of up to US\$17MM, secured against the Company's North Las Vegas assets, to further the development of the Company's three-story "Phase 2" North Las Vegas cultivation and production infrastructure, estimated to total up to 65,000 ft² upon completion. Further, the Company and ACC may elect to jointly pursue an additional, unsecured non-dilutive debt financing of up to US\$7MM to further development of ACC's Pahrump, Nevada licensed assets.

Closing of Private Placement of Debentures

Additionally, further to the press release dated May 13, 2019, the Company is pleased to announce the closing of the second tranche of a non-brokered private placement (the "**Offering**") of secured Convertible Debentures (the "**Debentures**") for gross proceeds of C\$250,000. The Debentures mature eighteen (18) months after the date of issuance (the "**Maturity Date**") and bear interest at a rate of 10% per annum, payable on the earlier of the Maturity Date or upon conversion of the Debenture. The Debentures (including any accrued and unpaid interests) are convertible at the option of the holder into units of the Company (each, a "**Unit**") at a conversion price of C\$0.80 per Unit. Each Unit consists of one (1) common share and one (1) Common Share purchase warrant, entitling the holder thereof to purchase one (1) Common Share at an exercise price of C\$1.40 per share for a period of eighteen (18) months (a "**Warrant**"). The Company will use the net proceeds of the Offering to finalize the build-out of the first phase of Citation's Nevada operations, including the purchase of lab equipment, a distribution vehicle, and for general and working capital purposes.

The Debentures and the underlying Common Shares and Warrants (and any Common Shares issuable upon conversion thereof), are subject to a statutory four (4) month and one (1) day hold period. The securities being offered have not been, nor will they be, registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons absent registration or an applicable exemption from the registration requirements. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful

About Citation Growth Corp.

Citation Growth Corp. (formerly Liht Cannabis Corp.) is a publicly traded company that has been investing in the medical and recreational cannabis space since 2014. Citation has rapidly expanded its operating portfolio to include cultivation, production, and dispensary locations in key North American state-legal jurisdictions and is seeking expansion opportunities worldwide.

About the ACC Group of Companies

ACC Group of Companies is a group of privately held companies that have held indoor cannabis cultivation licenses in the State of Nevada since 2014. Primarily located in Pahrump, Nevada, ACC prides itself on its expansive collection of premium cannabis cultivars and its innovative seed genetics program.

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Stock Exchanges:

Citation trades in Canada, under the ticker symbol "CGRO" on the CSE, and in the U.S., under the ticker symbol "LIHTD" on the OTCQX Best Market (the "**OTCQX**"). The Company also trades on other recognized platforms in Europe including Frankfurt, 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:

The Company owns marijuana licenses in California and Nevada. Marijuana is legal in each state; however, marijuana remains illegal under United States federal law and the approach to enforcement of U.S. federal law against marijuana is subject to change. Shareholders and investors need to be aware that federal enforcement actions could adversely affect their investments and that the Company's ability to support continuing U.S.-based operations and its access private and public capital could be materially adversely affected.

The Company's business is conducted in a manner consistent with state law and is in compliance with applicable state licensing requirements in the U.S. The Company has internal compliance procedures in

place and has compliance focused attorneys engaged in jurisdictions to monitor changes in laws for compliance with U.S. 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 U.S.

Unlike in Canada which has Federal legislation uniformly governing the cultivation, distribution, sale and possession of cannabis under the *Cannabis Act* (Canada), readers are cautioned that in the U.S., cannabis is largely regulated at the state level. To the knowledge of the Company, there are to date a total of 33 states, plus the District of Columbia, that have legalized cannabis in some form. Notwithstanding the permissive regulatory environment of medical cannabis at the state level, cannabis continues to be categorized as a controlled substance under the Controlled Substances Act in the U.S. and as such, cannabis-related practices or activities, including without limitation, the manufacture, importation, possession, use or distribution of cannabis are illegal under U.S. federal law. Strict compliance with state laws with respect to cannabis will neither absolve the Company of liability under the U.S. federal law, nor will it provide a defense to any U.S. federal proceeding, which may be brought against the Company. Any such proceedings brought against the Company may materially adversely affect its operations and financial performance in the U.S. market.

Currently, listings of Canadian companies on the CSE will remain in good standing as long as they provide the disclosure that is required by the applicable Canadian securities regulators and complying with applicable licensing requirements and the regulatory framework enacted by the applicable state in which they operate.

Forward-Looking Statements:

This news release contains forward-looking statements that relate to our current expectations and views of future events. These statements relate to future events or future performance. Statements which are not purely historical are forward-looking statements and include any statements regarding beliefs, plans, outlook, expectations or intentions regarding the future including words or phrases such as "anticipate", "objective", "may", "will", "might", "should", "could", "can", "intend", "expect", "believe", "estimate", "predict", "potential", "plan", "is designed to", "project", "continue", or similar expressions suggest future outcomes or the negative thereof or similar variations. Forward-looking statements may also include, among other things, statements about the Company's: anticipated closing of the Proposed Transaction, proposed US\$10MM equity financing, non-dilutive US\$7MM debt financing and secured US\$17MM debt financing being completed and anticipated use of proceeds from such financings; ability to reinvest profits generated from its operations; future business strategy; the anticipated completion of the Proposed Transaction with ACC and the securityholders thereof; expectations of obtaining licenses and permits; expectations regarding expenses, sales and operations; future customer concentration; anticipated cash needs and estimates regarding capital requirements and the need for additional financing; total processing capacity; the ability to anticipate the future needs of customers; plans for future products and enhancements of existing products; future growth strategy and growth rate; future intellectual property; regulatory approvals and other matters; and anticipated trends and challenges in the markets in which the Company may operate.

Such statements and information are based on numerous assumptions regarding present and future business strategies and the environment in which the Company will operate in the future, including the demand for our products; anticipated costs and ability to achieve goals; the Company's ability to complete any contemplated transactions; historical prices of cannabis; and that there will be no regulation or law that will prevent the Company or ACC from operating its businesses; 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; the estimated size of the cannabis market; 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. Although the Company believes that the assumptions underlying these statements are reasonable, they may prove to be incorrect. Given these risks, uncertainties and assumptions, the reader should not place undue reliance on these forward-looking statements.

Forward-looking statements are subject to known and unknown risks, uncertainties and other important factors that may cause the actual results to be materially different from those expressed or implied by such forward-looking statements, including but not limited to: execution of the definitive agreement with respect to the Proposed Transaction; completion of the Proposed Transaction; accuracy of information provided by management of ACC to the Company regarding its management estimated future capital expenditure costs, revenue, and timeframe for the completion of its Pahrump, Nevada facility; business, economic and capital market conditions; the ability to manage the Company's operating expenses, which may adversely affect the Company's financial condition; the Company's ability to remain competitive; regulatory uncertainties; market conditions and the demand and pricing for our products; exchange rate fluctuations; the risk of difficulties in the integration of the Company and ACC; security threats; the Company's relationships with its customers, distributors and business partners; the Company's ability to attract, retain and motivate qualified personnel; industry competition; the impact of technology changes on the Company's products and industry; the Company's ability to successfully maintain and enforce its intellectual property rights and defend third-party claims of infringement of their intellectual property rights; the impact of litigation that could materially and adversely affect our business; the Company's ability to manage its working capital; and the Company's dependence on key personnel. The Company is not a positive cash flow company and it may not actually achieve its plans, projections, or expectations (the Company and ACC have a history of losses).

Important factors that could cause actual results to differ materially from the Company's expectations include, consumer sentiment towards the Company's products and cannabis generally; risks related to the Company and ACC's ability to maintain its licenses issued by governments in good standing; uncertainty with respect to the Company and ACC's ability to grow, store and sell cannabis; risks related to the costs required to meet the obligations related to regulatory compliance; risks related to the extensive control and regulations inherent in the industry in which the Company and ACC operate; risks related to governmental regulations, including those relating to taxes and other levies; risks related to an early stage business and a business involving an agricultural product and a regulated consumer product; risks related to building brand awareness in a new industry and market; risks relating to restrictions on sales and marketing activities imposed by governments; risks inherent in the agricultural business; risks relating to energy costs; risks relating to product liability claims, regulatory action and litigation; risks relating to recall or return of products; and risks relating to insurance coverage; global economic climate; equipment and building failures; increase in operating costs; decrease in the price of cannabis; security threats; government regulations; loss of key employees and consultants; additional funding requirements; volatility in the securities of the Company; changes in laws; technology failures; failure to obtain permits and licenses; anticipated and unanticipated costs; competition; risks associated with the substantial obligations of being a public company; and failure of counterparties to perform their contractual obligations. This list is not exhaustive of the factors that may affect the forward-looking statements. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in the forward-looking statements.

Except as required by law, the Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future event or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events. Neither the Company nor any of its representatives make any representation or warranty, express or implied, as to the accuracy, sufficiency or completeness of the information in this news release. Neither the Company nor any of its representatives shall have any liability whatsoever, under contract, tort, trust or otherwise, to the reader or any person

resulting from the use of the information in this news release by the reader or its representatives or for omissions from the information in this news release.

The securities of the Company are considered highly speculative due to the nature of the Company and ACC's businesses.

All information in this news release concerning ACC has been provided for inclusion herein by ACC. Although the Company has no knowledge that would indicate that any information contained herein concerning ACC is untrue or incomplete, the Company assumes no responsibility for the accuracy or completeness of any such information.

Accordingly, readers should not place undue reliance on forward-looking statements. Financial amounts are in United States Dollars, unless otherwise specified.

Non-GAAP Disclosure:

"Adjusted EBITDA" (earnings before interest, tax, depreciation and amortization, adjusted for one-time, non-recurring charges incurred in the relevant financial period) and "EBITDA margin" do not have any standardized meaning as prescribed by International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board, and, therefore, is considered a non-GAAP measure and may not be comparable to similar measures presented by other issuers. The Company believes the non-GAAP measures of "adjusted EBITDA" and "EBITDA margin", combined with IFRS measures, such as revenue, are useful measures to its shareholders as management relies on such measures to provide insight into future operations. Readers are cautioned, however, that "adjusted EBITDA" and "EBITDA margin" should not be construed as an alternative to financial measures determined in accordance with GAAP or IFRS as an indicator of the Company's financial performance.

Not an Offer or Solicitation:

This press release is not an offer of the Company's securities for sale in the U.S. The securities may not be offered or sold in the U.S. absent registration or an available exemption from the registration requirements of the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") and applicable U.S. state securities laws. The Company will not make any public offering of its securities in the U.S. The Company's securities have not been and will not be registered under the U.S. Securities Act.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities, in any jurisdiction in which such offer, solicitation or sale would be unlawful.