

CROP SEEKING CHANGES TO UNDER-PERFORMING U.S. LLCs

October 10, 2019 - VANCOUVER, BRITISH COLUMBIA - CROP INFRASTRUCTURE CORP. (CSE:CROP) (OTC:CRXPF) (Frankfurt:2FR) (“CROP” or the “Company”) today announced major management actions to remedy recent operational failures from its investments and implement improved reporting protocols throughout its structure, including its investments.

CROP is focused on the acquisition and ownership of a passive interest in specialized cannabis-related properties owned by various U.S. limited liability companies (each a “US LLC”). The Company deploys investment capital in an effort to maximize growth of income-producing U.S. state licensed cannabis producers and processors. To date, CROP’s investments have resulted in a substantial equity position in six US LLCs operating in California, Nevada, Oklahoma and Washington.

CROP management is taking remedial action with several US LLC partners after ‘very disappointing’ performances. Accordingly, management intends to work with its other cooperative stakeholders and partners to take immediate action to overhaul management of its non-productive investments. Additionally, management will renegotiate operating agreements to adopt additional reporting, internal controls and audit rights of the partners.

Michael Yorke, CEO stated, “We believe CROP and our shareholders deserve better representation after these very disappointing performances to protect and enhance our US business interests and we are committed to making appropriate changes to facilitate the growth of these investments.”

The company has decided to sell its deposit on its extraction equipment that was ordered for its hemp operations. The company is in discussions with multiple toll processors and has spoken with the CBD isolate offtake buyer to work on fulfilling its first month commitments dependant on harvest outputs from the remaining pivots.

CROP also announced today that it has received a notice dated October 7, 2019 from the collateral agent for the holders of certain secured convertible debentures issued by the Company on February 8, 2019 and on June 11, 2019. The notice stated that the Company had not paid interest on the principal amount of the debentures due and payable to the debenture holders on September 30, 2019.

If unremedied by October 22, 2019, the collateral agent has stated that the failure by the Company to pay the outstanding interest will constitute an event of default pursuant to the terms of the debentures. The Company is making efforts to raise the capital required to pay the outstanding interest and the collateral agent is supportive of the Company’s efforts to replace the management teams of its under-performing US LLCs. For more information regarding the debentures, see the Company’s news releases dated February 26, 2019 and June 14, 2019.

In addition, the Company also announces that Elite Ventures Group, LLC (“Elite”), a Nevada limited liability company in which it owns a 49% membership interest, with option to increase its ownership to 84%, has received a service of process notification dated October 9, 2019, from mortgagor that it is currently in default of its mortgage on its Nevada THC property. The Company is making efforts to raise the capital required to pay the outstanding mortgage payments.

The Company currently has promissory notes against the assets of each of the US LLCs and has demanded their repayment and is calling all of the notes on its assets to secure the Company’s US LLC investments.

About CROP

CROP is publicly listed on the CSE and trades under the symbol “CROP”, in the US on the OTC under the symbol “CRXPF”, and on the Frankfurt exchange under the symbol “2FR”. The Company is focused on owning a portfolio of cannabis branding, CBD and real estate assets through its wholly and partially-owned subsidiaries. CROP’s portfolio of projects includes cultivation properties in California, two in Washington State, a 1,000-acre Nevada cannabis farm, 2,115 acres of Hemp CBD farms, and a growing portfolio of share equity in various companies within the cannabis space. CROP has developed a portfolio of assets including Canna Drink, a cannabis infused functional beverage line and 16 cannabis brands.

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Disclaimer for Forward-Looking Information

Certain statements in this press release are forward-looking statements are not based on historical facts, but rather on current expectations and projections about future events and are therefore subject to risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements. In addition, marijuana remains a Schedule I drug under the United States Controlled Substances Act of 1970. Although Congress has prohibited the US Justice Department from spending federal funds to interfere with the implementation of state medical marijuana laws, this prohibition must be renewed each year to remain in effect. These statements generally can be identified by the use of forward-looking words such as “may”, “should”, “could”, “intend”, “estimate”, “plan”, “anticipate”, “expect”, “believe” or “continue”, or the negative thereof or similar variations. Forward-looking statements in this news release include, but are not limited to, statements regarding: (i) the removal of each US LLC’s existing management team; (ii) the renegotiation of each US LLC’s operating agreement; and (iii) the raising of capital to pay the outstanding interest due on the debentures and to rectify Elite’s default on its Nevada THC property mortgage. Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding the regulatory and legal framework regarding the cannabis industry in general among all levels of government and zoning; risks associated with applicable securities laws and stock exchange rules relating to the cannabis industry; risks associated with maintaining its interests in its various assets; the ability of the Company to finance operations and execute its business plan and other factors beyond the control of the Company. Such forward-looking statements should therefore be construed in light of such factors, and the Company is not under any obligation, and expressly disclaims any intention or obligation, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law.

The Canadian Securities Exchange (operated by CNSX Markets Inc.) has neither approved nor disapproved of the contents of this press release.