

NEWS RELEASE

CROP ANNOUNCES SENIOR SECURED CONVERTIBLE DEBENTURE OFFERING

February 7, 2019 – VANCOUVER – CROP Infrastructure Corp. (CSE: CROP) (“CROP” or the “Company”), announces that it intends to conduct a non-brokered private placement offering (the **“Offering”**) of senior secured convertible debenture units (each, a **“Unit”**) for gross aggregate proceeds of up to \$4,000,000. Each Unit is comprised of \$1,000 in principal amount (the **“Principal Amount”**) of senior secured convertible debenture (each, a **“Debenture”**) and one share purchase warrant (each, a **“Warrant”**) for each \$0.30 of Principal Amount with each Warrant entitling the holder thereof to acquire one common share of the Company (each, a **“Warrant Share”**) at an exercise price of \$0.50 per Warrant Share (the **“Exercise Price”**) for a period of 3 years from the date of closing of the Offering (the **“Closing”**).

The terms of the Debentures include:

- a maturity date of 2 years from the date of Closing and bear interest at a rate of 10% per annum, payable quarterly in cash (the **“Interest”**);
- subject to adjustment, the holders of the Debentures, at any time, may convert all or any part of the Principal Amount outstanding under the Debentures into common shares of the Company (each, a **“Conversion Share”**) at a conversion price of \$0.30 per Conversion Share (the **“Conversion Price”**) and with which any accrued and unpaid Interest may be converted into Conversion Shares at a conversion price of \$0.30 per Conversion Share; and
- the Company may elect to repay, in cash, the outstanding Principal Amount of the Debentures, including any accrued and unpaid Interest, upon 30 days written notice any time following the initial 4 months from the date of Closing.

If the Company undertakes an equity financing at a price per Share (or having a conversion or exchange price) less than 95% of the closing market price per Share while the Debentures are outstanding, the Conversion Price, subject to Canadian Securities Exchange (**“CSE”**) approval, will be adjusted so that it will equal the price determined by multiplying the Conversion Price by a fraction, of which the numerator will be the total number of Shares outstanding on such date plus a number equal to the number determined by dividing the aggregate purchase price of the additional Shares offered for subscription or purchase by the closing market price per Share on the day immediately preceding such date, and of which the denominator will be the total number of Shares outstanding on such record date plus the number of the additional Shares.

If during the term of the Warrants, the Company issues warrants with an exercise price below the Exercise Price, the Company will, subject to CSE approval, adjust the Exercise Price downward to the greater of (a) the price of such issuance, and (b) the closing market price of the Shares on the CSE on the trading day prior to public dissemination of the news release disclosing the issuance of the Debentures, less the maximum discount permitted by CSE policies. Further, if during the term of the Warrants, the Company issues warrants with an exercise price below the Exercise Price, the Company will, subject to prior approval from the CSE, issue to the Warrant holder special warrants at the reduced exercise price equal to the number of Warrants that would have been issued if the reduced exercise price was used to calculate the number of Warrants issued.

The obligations under the Debentures will be collaterally secured by the following: (a) a general security agreement constituting a charge and security interest in all of the personal property of the Company; (b) an unlimited guarantee of certain U.S. based entities of which the Company holds an equity interest consisting of DVG LLC, Elite Ventures Group LLC, Humboldt Holdings, LLC, Ocean Green Management LLC, Wheeler Corridor Business Park LLC, and Wheeler Park Properties, LLC (each, a “**Guarantor**”) and collaterally secured by security agreements issued by each Guarantor; (c) a pledge of equity interest from the Company relating to the equity interests of each of the Guarantors; and (d) a first priority deed of trust lien on the real property located in California, Washington and Nevada, which deed of trust lien will secure the obligations of each of the Guarantors (collectively, the “**Security**”). The enforcement of the Security is subject to the terms and conditions of the certificates representing the Debentures (the “**Debenture Certificates**”) and to an Agency and Interlender Agreement to be entered into among the holders of the Debenture Certificates, the Company, each of the Guarantors, and an agent.

The proceeds of the Offering are expected to be used to continue to grow the company’s US operations and for general working capital purposes.

None of the securities issued in connection with the Offering will be registered under the *United States Securities Act* of 1933, as amended (the “**1933 Act**”), and none of them may be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the 1933 Act. This press release shall not constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of the securities in any state where such offer, solicitation, or sale would be unlawful.

About CROP

CROP is publicly listed on the CSE and trades under the symbol “CROP” and in the US under the symbol “CRXPF”. CROP is focused on cannabis branding and real estate assets. The Company’s portfolio of projects includes cultivation properties in California, two in Washington State, a 1,000-acre Nevada Cannabis farm, 2,115 acres of CBD farms, extraction in Nevada and joint ventures on a San Bernardino dispensary app with international focuses in Jamaica and Italy.

CROP has developed a portfolio of assets including Canna Drink, a cannabis infused functional beverage line, US and Italian distribution rights to over 55 cannabis topical products and a portfolio of 16 Cannabis brands. CROP’s infrastructure has over 150,000 sq ft of built canopy and over 2,900 acres of real estate.

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

Disclaimer for Forward-Looking Statements

This news release contains forward-looking statements that involve various risks and uncertainties regarding future events. Such forward-looking statements are based on current expectations of management, involve a number of risks and uncertainties, and are not guarantees of future performance of the Company. These statements generally can be identified by the use of forward-looking words such as “may”, “should”, “will”, “could”, “intend”, “estimate”, “plan”, “anticipate”, “expect”, “believe” or “continue”, or the negative thereof or similar variations. Forward-looking statements in this news release include statements regarding the closing of the financing and the proposed allocation of the net proceeds of the Offering. Forward-looking statements are necessarily based on a number of estimates and assumptions that, while considered reasonable, are subject to known and unknown risks, uncertainties and other factors that may cause actual results and future events to differ materially from those expressed or implied by such forward-looking statements. Factors that could cause actual results or events to differ materially from current expectations include general market conditions and other factors beyond the control of the Company. The Company 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.