

Citation Growth Corporation Announces LOI to Purchase Micro Cultivation Facility in British Columbia, Canada

CGRO News Release
October 7, 2020

Kelowna, British Columbia—Citation Growth Corp. (CSE:CGRO) (OTCQX:CGOTF) (“Citation” or “Company”), a licensed multi-state Cannabis cultivator, producer and retailer, is pleased to announce that it has executed a non-binding letter of intent (“LOI”) on October 6, 2020 with 1208417 BC. LTD. DBA Laughing Turtle Farms (the “Vendor”) to purchase their state-of-the-art micro cultivation facility in British Columbia. Citation’s management team anticipates the execution of a Definitive Agreement (the “Definitive Agreement”) to purchase the business and micro license application on or before November 30, 2020 with the closing of the transaction (the “Closing”) anticipated to follow shortly thereafter upon the satisfaction of such terms and conditions precedent to the Closing, which are customary for transactions of this nature.

“This acquisition presents fantastic synergies that will not only enhance the quality of our cultivation output in Nevada, but will also give Citation a foothold in the burgeoning micro-cultivation space in BC,” commented CEO, Erik Anderson. “Once the facility is fully built out and licensed in 2021, we will add immediate topline revenue and positive cash flow. The quality of workmanship in the facility is top tier and aligns with the micro grow demand in the BC cannabis market. We are excited to close this deal and add this acquisition to our portfolio”.

Citation’s management team believes this deal will:

1. increase top line revenues and the company will benefit from the cashflow positive operations of 128417 BC. LTD by mid-2021;
2. will allow the company to capture market share in Canada for high-quality craft cannabis and will set a platform for vertical integration “Farm-Gate” opportunities in BC; and
3. will allow for additional retail synergies through the supply chain lines in the Canadian Cannabis Industry.

Terms of the Proposed Transaction

Citation will pay \$4,000,000 through a combination of shares and cash to be negotiated in the Definitive Agreement. The principals of 1208417 BC. LTD will remain with the company through the transition and indefinitely.

Additional details regarding the Proposed Transaction will be provided in a comprehensive press release if and when the parties enter into the Definitive Agreement. The Definitive Agreement will incorporate the principal terms of the Proposed Transaction described herein and may be modified by agreement between the Company and the Purchaser prior to finalizing the Definitive Agreement. In addition, more detailed terms and conditions of the structure and nature of the Proposed Transaction will be made available after receiving further tax, legal, securities, regulatory and financial advice from the respective advisors. The Proposed Transaction is subject

to due diligence by the Purchaser as well as the customary conditions for a transaction of this nature, which include all necessary security-holder and corporate approvals, third-party consents, permits, including those of government authorities, and the approval of the CSE, if required.

Further to the news release dated August 4, 2020 and updated on September 1, 2020, the company continues to work towards closing the sale of its Celistra, BC assets to Indigenomix International ("Indigenomix") in a transaction unrelated to the LOI signed with 1208417 BC. LTD today. Alternative financing arrangements are being explored by both Citation and Indigenomix to expedite the closing of the proposed transaction. Further information on this transaction will be forthcoming before October 31, 2020.

About Citation Growth Corp.

Citation Growth Corp. (CSE:CGRO) (OTCQX:CGOTF) is a publicly traded company that has been investing in the development of medical and recreational cannabis products since 2014. Citation has expanded its operating portfolio to include cultivation, production and retail offerings in our key North American legal jurisdictions Nevada, California, Washington and British Columbia. For more information, please visit www.citationgrowth.com.

For Further Information:

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Cannabis 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.

Forward-Looking Statements:

This news release contains forward-looking statements or information 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 future business strategy; 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; changes in laws and regulations; regulatory approvals and other matters; and anticipated trends and challenges in the markets in which the Company may operate.