

ARCTURUS GROWTHSTAR TECHNOLOGIES INC.

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NEWS RELEASE

ARCTURUS ANNOUNCES 25,000-SQ FT \$5 MILLION “LED” VERTICAL FARMING PROJECT

December 8, 2016 – Vancouver, British Columbia – Arcturus Growthstar Technologies Inc. (the “Company” or “Arcturus”) (CSE: AGS) (OTCQB: AGSTF) is pleased to announce that it has partnered with CBO Financial, Inc. (“CBO”) for the development and operation of a major “LED” vertical farm project in Baltimore, Maryland. Arcturus is also pleased to announce that it has concurrently signed a Letter of Intent (“LOI”) to lease 25,000-sq ft of commercial shell space from Volunteers of America Chesapeake to accommodate the Baltimore farm.

Volunteers of America Chesapeake (“VOAC”), one of the largest and most respected nonprofits in the region, owns a building in Baltimore, MD that will undergo additional improvements to accommodate Arcturus’ Controlled Environment Agriculture (“CEA”) technology, which uses LED lights to grow plants on vertically stacked levels. As a partner in this indoor farm, VOAC has agreed to contribute generous rent concessions to Arcturus. The farm will be co-located in a residential reentry center, which helps ex-offenders reenter society and the workforce after serving federal prison sentences. The farm will provide job training and therapeutic opportunities for VOAC’s residents. Arcturus, CBO and VOAC intend to use this Baltimore model to expand the Company’s CEA technology and training and therapeutic programs developed by VOAC into other markets throughout the United States.

Arcturus previously announced that CBO would act as the Company’s financial advisor with respect to New Market Tax Credits (NMTC) for certain vertical farming projects. As part of this Baltimore farm transaction, CBO Financial will be arranging for \$5,000,000 in NMTC based financing. CBO will also plan, co-finance, and perform day-to-day operations at the farm, and Arcturus will provide the system design, off-take agreements, co-finance, and offer ongoing O&M support. The Baltimore Farm is expected to be a showcase for Arcturus’ LED horticulture lighting technology and the first of many projects that CBO and the Company will work on together in collaboration with Volunteers of America Chesapeake.

The NMTC program is a \$65 billion federal program designed to incentivize private investment in low-income communities. NMTCs are provided to financial institutions in exchange for equity investments that eligible businesses can use to subsidize project development costs. CBO Financial helps driven organizations, such as Arcturus, to finance facilities that will provide goods and services that benefit populations in need and revitalize communities.

“We are pleased to have partnered with CBO Financial and Volunteers of America Chesapeake on this project and believe that its success will be a bellwether for public private partnerships within the urban

farming industry,” says Mr. William Gildea, Arcturus Growthstar Technologies Inc.’s CEO and Chairman. “With Volunteers of America Chesapeake’s diversified real estate holdings, CBO Financial’s experience in community development and expertise in navigating the NMTC process and Arcturus’s CEA technology, this is a perfect partnership. Our goal was always to create impactful social and corporate programs that are mutually beneficial for all involved, from the community, to the company and our shareholders. Partnering with Volunteers of America Chesapeake and CBO Financial puts us in the position to achieve that goal. We hope this is the first of many joint-projects for our companies.”

“We are delighted to be involved with this project, which produces fresh food and quality jobs in a low income community and provides job training and therapy opportunities for VOAC residents. We expect this to be a prototype for future, profitable commercial scale projects that include social service oriented job training and therapeutic programs,” says Craig Stanley, CEO of CBO Financial.

“Volunteers of America Chesapeake has been supporting and providing resources for the ex-offender community for over 35 years in Baltimore, Maryland,” says Russell Snyder, CEO of VOAC. “We are committed to help the residents of our residential reentry center gain job skills and employment opportunities through social enterprise opportunities like vertical farming and we are pleased to partner with Arcturus and CBO Financial in this innovative project.”

For further information, contact William Gildea, Director, at 617.834.9467.

On behalf of the Board,

Arcturus Growthstar Technologies Inc.

William Gildea, CEO & Chairman

About Arcturus

The Company’s business model includes developing and acquiring technologies that will position it as a leader in the evolution of Controlled Environment Agriculture (CEA) for the global production of various types of plants. Arcturus provides scalable, indoor CEA systems that utilize minimal land, water and energy regardless of climate, location or time of year and are customized to grow an abundance of crops close to consumers, therefore minimizing food miles and its impact to the environment. The Company holds an exclusive, worldwide license to use a patented vertical farming technology that, when compared to traditional plant production methods, generate yields up to 10 times greater per square foot of land. The contained system provides many other benefits including *seed to sale security, scalability, consistency due to year-round production, cost control, product safety and purity by eliminating environmental variability.*

The Company is also in the business of designing and distributing LED lighting solutions utilizing the COB and MCOB technology. The Company is focused on delivering cost efficient lighting to North America via advanced e-commerce sites the Company owns and operates. LEDCanada.com which caters to B2B customers is a supplier of the newest and highest demand LED solutions. The Company also

owns and operates COBGrowlights.com which caters to both large and small agriculture green houses and controlled cultivation centers.

Neither the Canadian Securities Exchange nor its Market Regulator (as that term is defined in the policies of the Canadian Securities Exchange) accepts responsibility for the adequacy or accuracy of this release. The Canadian Securities Exchange has not in any way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this press release.

This news release may include forward-looking statements that are subject to risks and uncertainties. All statements within, other than statements of historical fact, are to be considered forward looking. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, exploitation and exploration successes, continued availability of capital and financing, and general economic, market or business conditions. There can be no assurances that such statements will prove accurate and, therefore, readers are advised to rely on their own evaluation of such uncertainties. We do not assume any obligation to update any forward-looking statements except as required under the applicable laws.