

For Immediate Release:

Harvest Health & Recreation Agrees to Acquire California's Falcon International Corp.

Acquisition will substantially increase Harvest's cultivation, manufacturing and distribution capabilities in California, add a suite of brands and augment Harvest's management team

February 14, 2019 - (PHOENIX, AZ) - Harvest Health & Recreation, Inc. (CSE: HARV, OTCQX: HRVSF), a vertically integrated cannabis company with one of the largest footprints in the U.S., announced a definitive agreement to acquire Falcon International Corp. ("Falcon"), a California cannabis company and leader in cultivation, manufacturing, wholesale distribution and brand development, for a non-material undisclosed amount of stock.

"California is a critically important state for any national cannabis company," said Harvest Executive Chairman Jason Vedadi. "Our agreement to acquire Falcon accelerates our expansion into the state and adds brands that were successful in the most competitive market in the country for product development."

The acquisition will include:

- **Leadership Team:** A management team comprised of business and cannabis industry professionals with expertise managing high-growth companies.
- **Licenses:** 16 cannabis licenses spanning across the industry's cultivation, manufacturing and distribution verticals.
- **Distribution:** Falcon is one of the state's largest distribution platforms providing Harvest with access to over 80 percent of the California storefronts. Falcon's strong distribution network gives Harvest the ability to distribute its own high-quality brands to dispensaries across California.
- **Manufacturing:** Sophisticated automation and production capabilities with capacity for over one million packaged units per month. The company is currently expanding their facility to triple capacity, which includes additional space for joint ventures or other co-located manufacturing relationships.
- **Cultivation:** Deep cultivation expertise and a robust supply chain supporting indoor, greenhouse and outdoor flower brands.
- **Brands:** A portfolio of top-selling California brands including: Cru Cannabis™, Littles™ and High Garden™.

Harvest will use Falcon as the backbone of its California operations and foundation for national brand distribution.

"The acquisition of Falcon provides a home for our manufacturing and distribution businesses throughout California," said Vedadi. "We look forward to taking the brands acquired and leveraging our footprint to quickly move them across the country."

Pursuant to the merger agreement, Harvest will acquire Falcon for equity. The transaction is subject to customary conditions of closing and is expected to close in the first half of 2019.

About Harvest Health & Recreation, Inc.

Harvest Health & Recreation Inc. is one of the first consistently profitable, vertically integrated cannabis companies with one of the largest footprints in the U.S. Harvest's complete vertical solution includes industry-leading cultivation, manufacturing, and retail facilities, construction, real estate, technology, operational, and brand building expertise — leveraging in-house legal, HR and marketing teams, along with proven experts in writing and winning state-based applications. The company has more than 625 employees with proven experience, expertise and knowledge of in-house best practices that are drawn upon whenever Harvest enters new markets. Harvest's executive team is comprised of leaders in finance, compliance, real estate and operations. Since its founding in 2011, Harvest has grown its footprint every year, has been ranked as the third largest cultivator in the U.S. and currently owns licenses for more than 140 facilities across the U.S. Harvest shares timely updates and releases as part of its regular course of business with the media and the interested public. For more information, visit: <https://www.harvestinc.com/>.

About Falcon

Falcon International Corp. is a vertically integrated California cannabis company and leader in cannabis R&D and brand development. The company's statewide distribution platform and house of brands currently serves over 80 percent of the dispensaries in California.

Forward-looking Statements

This press release contains statements which constitute "forward-looking information" within the meaning of applicable securities laws, including statements regarding the plans, intentions, beliefs and current expectations of Harvest with respect to future business activities. Forward-looking information is often identified by the words "may," "would," "could," "should," "will," "intend," "plan," "anticipate," "believe," "estimate," "expect" or similar expressions and include information regarding: (i) expectations regarding the size of the U.S. cannabis market, (ii) the ability of the Company to successfully achieve its business objectives, (iii) plans for expansion of Harvest, and (iv) expectations for other economic, business, and/or competitive factors.

Investors are cautioned that forward-looking information is not based on historical facts but instead reflects Harvest management's expectations, estimates or projections concerning future results or events based on the opinions, assumptions and estimates of management considered reasonable at the date the statements are made. Although Harvest believes that the expectations reflected in such forward-looking information are reasonable, such information involves risks and uncertainties, and undue reliance should not be placed on such information, as unknown or unpredictable factors could have material adverse effects on future results, performance or achievements of the combined Company. Among the key factors that could cause actual results to differ materially from those projected in the forward-looking information are the following: the potential impact of an announcement of a going public transaction on relationships, including with regulatory bodies, employees, suppliers, customers and competitors; changes in general economic, business and political conditions, including changes in the financial markets; and in particular in the ability of the Company to raise debt and equity capital in the amounts and at the costs that it expects; adverse changes in the public perception of cannabis; decreases

in the prevailing prices for cannabis and cannabis products in the markets that the Company operates in; adverse changes in applicable laws; or adverse changes in the application or enforcement of current laws, including those related to taxation; the inability to locate and acquire suitable companies, properties and assets necessary to execute on the Company's business plans; and increasing costs of compliance with extensive government regulation. This forward-looking information may be affected by risks and uncertainties in the business of Harvest and market conditions.

Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking information prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, believed, estimated or expected. Although Harvest has attempted to identify important risks, uncertainties and factors which could cause actual results to differ materially, there may be others that cause results not to be as anticipated, estimated or intended. Harvest does not intend, and does not assume any obligation, to update this forward-looking information except as otherwise required by applicable law.

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