



## Origin House Announces Sale of Equity Interest in AltMed

*Divestment of AltMed represents an approximate 156% return on investment for Origin House shareholders and marks the completion of a key remaining step toward the closing of the Company's Arrangement with Cresco Labs.*

**Ottawa, Canada – July 26, 2019** - [CannaRoyalty Corp. d/b/a Origin House](#) (CSE: OH) (OTCQX: ORHOF) ("Origin House" or the "Company"), a North American cannabis products and brands company, announced today that it has divested its 5.1% equity interest (the "**Interest**") in Alternative Medical Enterprises LLC ("**AltMed**") for total consideration of US\$6 Million. As Cresco Labs Inc. ("**Cresco**") is prohibited under state law from acquiring additional positions in the Florida market, this divestment was a pre-closing condition to the Company's previously announced plan of arrangement (the "**Arrangement**") pursuant to which Cresco has agreed to acquire all of the issued and outstanding shares of Origin House.

"With one of the final conditions to closing the Arrangement with Cresco now complete, we look forward to proceeding to drive value for shareholders as a combined company, upon the expiration of the anti-trust waiting period," commented **Marc Lustig, Chairman and CEO of Origin House**. "The sale of the remaining AltMed interest marks a significant milestone in the continued process whereby Origin House has monetized non-core holdings resulting in both substantial returns for shareholders and additional cash that has fueled the Company's growth."

The Company has received approximately US\$3 million on close, with the remaining portion of approximately US\$3 million, paid to Origin House in periodic installments, ending January 2020. Mr. Lustig has agreed with one of the purchasers that acquired 4.9% of the 5.1% Interest, Zola Global Investors Ltd. ("**Zola**"), to personally repurchase a portion of their interest in AltMed under certain conditions. Zola is an operationally focused family office with deep expertise in investing across the legal cannabis sector, providing a source of capital for corporations divesting assets as part of their merger requirements.

Mr. Lustig's agreement to repurchase a portion of the Interest from Zola may be considered a "related party transaction" within the meaning of Multilateral Instrument 61-101 — *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**") as Mr. Lustig is a director and officer of the Company and his agreement to acquire a portion of the Interest is a "connected transaction" (as defined in MI 61-101) to the Company's sale of the Interest. Mr. Lustig declared his interest in the sale of the Interest to the Board of Directors (the "**Board**") of the Company and, with Mr. Lustig recusing himself, the Board has considered and approved the sale of the Interest. At the time the sale of the Interest was agreed to, the fair market value of the Interest, and the fair market value of the consideration for the Interest, insofar as it involves Mr. Lustig, was less than 25% of the market capitalization of the Company. As a result, the Company is relying on the exemptions from the minority shareholder approval and formal valuation requirements of MI 61-101 pursuant to Sections 5.5(a) and 5.7(a) of MI 61-101.

Further information about the Arrangement is set forth in the materials prepared by the Company in respect of the special meeting of shareholders in respect of the Arrangement which was held on June 11, 2019, which were mailed to Origin House shareholders and filed under Origin House's profile on [www.sedar.com](http://www.sedar.com).

### **Update on C\$12 Million Debt Facility with Opaskwayak Cree Nation**

On July 2, 2019, the Company [disclosed](#) that it has entered into a binding term sheet agreement with Opaskwayak Cree Nation for a C\$12 million debt financing (the "Financing"). Origin House announced today that it has received the second and final C\$8.5 million tranche of the Financing. This Financing replaces the Company's previous \$12 million debt facility with a subsidiary of Sprott Inc., which has now been closed out.

### **About Origin House**

Origin House is a growing cannabis brands and distribution company operating across key markets in the U.S. and Canada, with a strategic focus on becoming a preeminent global house of cannabis brands. Origin House's brand development platform is operated out of six licensed facilities located across California, and provides distribution, manufacturing, cultivation and marketing services for its brand partners. Origin House is actively developing infrastructure to support the proliferation of its brands internationally, initially through its acquisition of Canadian retailer 180 Smoke. Origin House's shares trade on the CSE under the symbol "OH" and on the OTCQX under the symbol "ORHOF". Origin House is the registered business name of CannaRoyalty Corp. For more information, visit [www.originhouse.com](http://www.originhouse.com).

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### **Forward Looking Statements**

*Statements in this news release that are forward-looking statements are subject to various risks and uncertainties concerning the specific factors disclosed here and elsewhere in Origin House's periodic filings with Canadian securities regulators. When used in this news release, words such as "will, could, plan,*

*estimate, expect, intend, may, potential, believe, should," and similar expressions, are forward- looking statements.*

*Forward-looking statements may include, without limitation, statements with respect to the terms of, and ability to consummate the Arrangement (including, without limitation, the terms, timing, closing and conditions thereof), the length of the anti-trust waiting period and its effect on the timing of the Arrangement, the effect of the divestiture of the Interest on the closing of the Arrangement and Mr. Lustig's future acquisition of a portion of the Interest, and the receipt of subsequent installments of payment made in connection with the sale of the Interest.*

*Although the Company has attempted to identify important factors that could cause actual results, performance or achievements to differ materially from those contained in the forward-looking statements, there can be other factors that cause results, performance or achievements not to be as anticipated, estimated or intended, including, but not limited to: investing in target companies or projects that are engaged in activities currently considered illegal under US federal law; changes in laws; limited operating history; reliance on management; requirements for additional financing; competition; hindered market growth and state adoption due to inconsistent public opinion and perception of the medical-use and adult-use marijuana industry; and regulatory or political change.*

*There can be no assurance that such information will prove to be accurate or that management's expectations or estimates of future developments, circumstances or results will materialize. As a result of these risks and uncertainties, the results or events predicted in these forward-looking statements may differ materially from actual results or events.*

*Accordingly, readers should not place undue reliance on forward-looking statements. The forward- looking statements in this news release are made as of the date of this release. The Company disclaims any intention or obligation to update or revise such information, except as required by applicable law, and the Company does not assume any liability for disclosure relating to any other company mentioned herein.*