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Liht Cannabis Corp. Announces Corporate Update and an Introduction to ACC Group of Companies

KELOWNA, BRITISH COLUMBIA – June 4, 2019 – **Liht Cannabis Corp. (CSE: LIHT) (OTCQX: LIHTF)** ("Liht" or the "Company"), a licensed cannabis cultivator and producer, is pleased to provide a corporate update relating to the Company's continuing growth strategy and its proposed transaction (the "**Proposed Transaction**") with ACC Group of Companies ("**ACC**").

Update on Liht's North Las Vegas Operations

During the month of May, the Company has continued the expansion of its triple-organic certified North Las Vegas cultivation facility, having achieved a Liht management-estimated monthly run rate revenue of approximately US\$150,000, at an estimated EBITDA margin of 10%. Company management further projects this monthly run rate revenue figure will rise to an anticipated US\$250,000 per month, for an estimated, annualized run rate revenue of **US\$3.0MM**, with an anticipated EBITDA margin of 33%, following the successful build-out and completion of its cutting-edge extraction lab and production kitchen – which the Company anticipates will be completed June 2019.

Rahim Mohamed, CEO of Liht Cannabis Corp. commented, "In conjunction with our expansion into extraction and infusion, we anticipate the growth of Liht's premium branded products will continue to drive future sales and consumer appeal in the State of Nevada. Recent events, highlighted by the proposed transformational partnership with ACC, reflect our core mission – to become the leading producer of premium cannabis products to the North American legal cannabis market." Mr. Mohamed continued, "ACC's infrastructure, combined with Liht's drive toward multi-state operations ("**MSO**"), provides a clear sign to the market that our transition into a premier North American cannabis company is well underway."

Update on the Proposed Transaction with ACC Group of Companies

As announced in the press release dated May 24, 2019, Liht is pleased to provide further detail on the Proposed Transaction to acquire all or substantially all of the equity interest of ACC, a Nevada-based licensed cannabis cultivator well-known for its award-winning cannabis cultivars. Following the completion of the Proposed Transaction, the Company intends to integrate ACC operationally, while expanding its Nevada cultivation footprint to approximately **569,600 ft²**, for production of a Liht and ACC-management estimated **45,000 kg** of dried, premium cannabis flower, once the proposed construction and build-out of all phases is successfully completed and the integration of Company and ACC is finalized.

Based on information provided by the management of ACC, ACC's Pahrump, Nevada licensed facility is currently undergoing rapid expansion to service the vibrant Nevada medical and recreational cannabis market, which is fueled by over 55 million annual visitors to the Las Vegas area. Completion of the four (4) construction phases is projected to take three (3) years, with ACC management anticipating a total capital expenditure requirement of approximately US\$50MM, to reach the project's full capacity. Assuming maximum operational efficiency, ACC management estimates total production of 22,530 kg of dried flower from its projected 279,000 ft² of cultivation space, producing an anticipated **US\$114MM** in annualized run

rate revenue with a projected 25% average EBITDA margin across all proposed building phases. Details of current operations and the proposed expansions include:

- building B, which has been operational since May 2017, consists of a **22,000 ft²** cultivation space, currently capable of producing up to **1,705 kg** of dried cannabis per year;
- the concurrent three (3) month construction on buildings A and C, together totalling **20,600 ft²**, which is planned to commence immediately after the close of the project's requisite financing, at which point ACC management estimates annual production capacity of **3,150 kg** in dried flower;
- building D, proposed to add an additional **11,000 ft²** of cultivation space on land currently under LOI, which, once complete, ACC management estimates will add **1,925 kg** of annual dried flower capacity – Construction is set to begin immediately following completion of buildings A and C, subject to availability of financing and the necessary development approvals; and
- buildings E, F, and G, which are proposed to be located on land to which ACC currently has a purchase option, and which are to be constructed when Nevada cultivation demand permits – It is estimated by ACC management that these expansions will add an additional **225,000 ft²** of cultivation space and **15,750 kg** of dried flower capacity annually.

About Liht Cannabis Corp.

Liht Cannabis Corp. is a publicly traded company that has been investing in the medical and recreational cannabis space since 2014. Liht has rapidly expanded its operating portfolio to include cultivation, production, and dispensary locations in key North American state-legal jurisdictions, such as Washington State, Nevada, and California, and is seeking expansion opportunities worldwide.

www.lihtcannabis.com

About the ACC Group of Companies

ACC is a group of privately held companies that have held indoor cannabis cultivation licenses in the State of Nevada since 2014. Primarily located in Pahrump, Nevada, ACC prides itself on its expansive collection of premium cannabis cultivars and its innovative seed genetics program.

For Further Information:

Rahim Mohamed, CEO
RM@lihtcannabis.com
(403) 605-9429

Social Media:

www.twitter.com/lihtcannabisco
www.facebook.com/lihtco

Stock Exchanges:

Liht trades in Canada, ticker symbol LIHT on the Canadian Securities Exchange ("CSE"), and in the US, ticker symbol LIHTF on the OTCQX. The Company also trades on other recognized platforms in Europe including Stuttgart, Tradegate, L & S, Quotnx, Dusseldorf, Munich, and Berlin.

Neither the CSE nor its Regulation Services Provider, nor the OTCQX® has approved nor disapproved the contents of this press release. Neither the CSE, nor the OTCQX® accepts responsibility for the adequacy or accuracy of this release.

Marijuana Industry Involvement:

Liht owns marijuana licenses in California and Nevada. Marijuana is legal in each state; however, marijuana remains illegal under US federal law and the approach to enforcement of US 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 Liht's ability to support continuing US-based operations and its access private and public capital could be materially adversely affected.

Liht's business is conducted in a manner consistent with state law and is in compliance with applicable state licensing requirements in the US. Copies of licenses are posted on Liht's website. Liht has internal compliance procedures in place and has compliance focused attorneys engaged in jurisdictions to monitor changes in laws for compliance with US federal and state law on an ongoing basis. These law firms inform any necessary changes to our policies and procedures for compliance in Canada and the US.

Currently, listings of Canadian companies on the CSE will remain in good standing as long as they provide the disclosure that is required by the applicable Canadian securities regulators and complying with applicable licensing requirements and the regulatory framework enacted by the applicable state in which they operate.

Forward-Looking Statements:

This news release contains forward-looking statements, including Future Oriented Financial Information ("FOFI") that relates to our current expectations and views of future events. Certain information contained herein and certain oral statements made are forward-looking and relate to the Company's business strategy, any estimate of potential earnings, revenues, costs, and EBITDA, the completion of any transaction, including with ACC and the securityholders thereof, obtaining licenses and permits, completing the build-out of facilities, expectations in connection with the production and expansion plans at our facilities and capacity thereof, expectations regarding the timing of construction, development, and production of our expansion projects for both existing facility expansion and new facilities, the performance of our business and operations, the potential size of the cannabis market, events, courses of action, the Proposed Transaction with ACC, regulatory approvals and other matters. 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 Company's: 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; and anticipated trends and challenges in the markets in which the Company may operate.

The FOFI has been prepared by Company management to provide an outlook of Company activities and results and may not be appropriate for other purposes. Company management believes that the FOFI has been prepared on a reasonable basis, reflecting management's best estimates and judgments. Readers of this news release are cautioned that the Company's actual future results may be materially different from what the Company expects.

All information in this news release concerning ACC has been provided for inclusion herein by ACC. Although the Company has no knowledge that would indicate that any information contained herein concerning ACC is untrue or incomplete, the Company assumes no responsibility for the accuracy or completeness of any such information.

Such statements and information are based on numerous assumptions regarding present and future business strategies and the environment in which the Company will operate in the future, including the demand for our products; anticipated costs and ability to achieve goals; the Company's ability to complete any contemplated transactions; historical prices of cannabis; and that there will be no regulation or law that will prevent the Company or ACC from operating its businesses; the state of the economy in general and capital markets in particular; present and future business strategies; the environment in which the Company will operate in the future; the estimated size of the cannabis market; and other factors, many of which are beyond the control of the Company. While such estimates and assumptions are considered reasonable by the management of the Company, they are inherently subject to significant business, economic, competitive and regulatory uncertainties and risks. Although the Company believes that the assumptions underlying these statements are reasonable, they may prove to be incorrect. Given these risks, uncertainties and assumptions, the reader should not place undue reliance on these forward-looking statements.

The securities of the Company are considered highly speculative due to the nature of the Company and ACC's businesses.

Forward-looking statements are subject to known and unknown risks, uncertainties and other important factors that may cause the actual results to be materially different from those expressed or implied by such forward-looking statements, including but not limited to: execution of the definitive agreement with respect to the Proposed Transaction; completion of the Proposed Transaction; accuracy of information provided by management of ACC to Liht regarding its management estimated future capital expenditure costs, revenue, EBITDA margins, and anticipated completion of its Pahrump, Nevada facility; business, economic and capital market conditions; the ability to manage the Company's operating expenses, which may adversely affect the Company's financial condition; the Company's ability to remain competitive; regulatory uncertainties; market conditions and the demand and pricing for our products; exchange rate fluctuations; the risk of difficulties in the integration of the Company and ACC; security threats; the Company's relationships with its customers, distributors and business partners; the Company's ability to attract, retain and motivate qualified personnel; industry competition; the impact of technology changes on the Company's products and industry; the Company's ability to successfully maintain and enforce its intellectual property rights and defend third-party claims of infringement of their intellectual property rights; the impact of litigation that could materially and adversely affect our business; the Company's ability to manage its working capital; and the Company's dependence on key personnel. The Company is not a positive cash flow company and it may not actually achieve its plans, projections, or expectations (the Company and ACC have a history of losses).

Important factors that could cause actual results to differ materially from the Company's expectations include, consumer sentiment towards the Company's products and cannabis generally; risks related to the Company and ACC's ability to maintain its licenses issued by governments in good standing; uncertainty with respect to the Company and ACC's ability to grow, store and sell cannabis; risks related to the costs required to meet the obligations related to regulatory compliance; risks related to the extensive control and

regulations inherent in the industry in which the Company and ACC operate; risks related to governmental regulations, including those relating to taxes and other levies; risks related to an early stage business and a business involving an agricultural product and a regulated consumer product; risks related to building brand awareness in a new industry and market; risks relating to restrictions on sales and marketing activities imposed by governments; risks inherent in the agricultural business; risks relating to energy costs; risks relating to product liability claims, regulatory action and litigation; risks relating to recall or return of products; and risks relating to insurance coverage; global economic climate; equipment and building failures; increase in operating costs; decrease in the price of cannabis; security threats; government regulations; loss of key employees and consultants; additional funding requirements; volatility in the securities of the Company; changes in laws; technology failures; failure to obtain permits and licenses; anticipated and unanticipated costs; competition; risks associated with the substantial obligations of being a public company; and failure of counterparties to perform their contractual obligations. This list is not exhaustive of the factors that may affect the forward-looking statements. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in the forward-looking statements.

Except as required by law, the Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future event or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events. Neither the Company nor any of its representatives make any representation or warranty, express or implied, as to the accuracy, sufficiency or completeness of the information in this news release. Neither the Company nor any of its representatives shall have any liability whatsoever, under contract, tort, trust or otherwise, to the reader or any person resulting from the use of the information in this news release by the reader or its representatives or for omissions from the information in this news release.

Accordingly, readers should not place undue reliance on forward-looking statements. Financial amounts are in United States Dollars, unless otherwise specified.

Non-GAAP Discloser:

"Monthly run rate revenue", "annualized run rate revenue", and "EBITDA" (earnings before interest, tax, depreciation and amortization) do not have any standardized meaning as prescribed by International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board, and, therefore, are considered non-GAAP measures and may not be comparable to similar measures presented by other issuers. The Company believes the non-GAAP measure of "monthly run rate revenue", "annualized run rate revenue", and "EBITDA margin", combined with IFRS measures, such as revenue and net income, are useful measures to its shareholders as management relies on such measures to provide insight into future operations. Readers are cautioned, however, that "monthly run rate revenue", "annualized run rate revenue", and "EBITDA margin" should not be construed as an alternative to financial measures determined in accordance with GAAP or IFRS as an indicator of the Company's financial performance.

Not an Offer or Solicitation:

This press release is not an offer of the Company's securities for sale in the US. The securities may not be offered or sold in the US absent registration or an available exemption from the registration requirements of the United States Securities Act of 1933, as amended (the "**US Securities Act**") and applicable US state securities laws. The Company will not make any public offering of its securities in the US. The Company's securities have not been and will not be registered under the US Securities Act.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities, in any jurisdiction in which such offer, solicitation or sale would be unlawful.