

Hiku Brands Provides Update on Alberta Retail Storefronts

Canada's first vertically integrated cannabis company is well positioned to be one of the world's largest private sector cannabis retailers by the end of 2018

Hiku also provides update on early conversion of debentures further to May 16, 2018 announcement

TORONTO, June 22, 2018 /CNW/ - Hiku Brands Company Ltd. (CSE: HIKU) ("Hiku" or the "Company") is pleased to provide an update on the approach to private sector retailing of cannabis in Alberta. Hiku, and our award-winning retail storefront brand Tokyo Smoke, have filed applications for a series of locations in Alberta which, if approved, will provide customers with a variety of experiences in different retail environments including flagship stores, express stores, shopping centres, and shop-in-shop.

Hiku has filed applications for more than a dozen storefronts in Calgary and are at the top of the list to be considered in each of those locations following Calgary's first come, first serve approach to licensing. In addition to Calgary, Hiku has also filed applications in Edmonton for its random lottery process.

"The province of Alberta represents a fantastic opportunity for Hiku Brands to roll out our engaging retail store fronts, in a variety of locations including best in class retail hubs, shopping districts, and innovative shop-in-shop concepts which will serve different customers and different demographics in places and communities where they already live, shop, and find entertainment" said Alan Gertner, Chief Executive Officer of Hiku Brands. "With our retail leadership and the transformational merger announced recently with WeedMD Inc. (TSX-V: WMD), we are positioning the Company and its shareholders for long-term success."

The applications in Alberta follow on the success that Tokyo Smoke has achieved in Manitoba, where it was awarded one of only four conditional master retail licenses. The master license will allow Hiku Brands to open 9-16 stores in the province and operate an e-commerce portal. Hiku has also entered into a letter of intent with Oceanic Releaf Inc. ("Oceanic"), a late stage applicant under the ACMPR in Newfoundland & Labrador, pursuant to which Oceanic and Hiku are working with the government on the approval for Oceanic of up to 5 additional stores in that province.

Hiku is a proudly Canadian cannabis company. With its portfolio of iconic cannabis brands, including its private sector retail store front brand Tokyo Smoke, featuring existing coffee store locations across the country, Hiku is looking forward to the significant work ahead to educate and enlighten Alberta cannabis consumers and non-consumers alike as the federal government moves forward with legalization of adult use cannabis. Our retail brand Tokyo Smoke was the winner of Brand of the Year at the Canadian Cannabis Awards in 2017.

Hiku is also pleased to announce that further to its news release of May 16, 2018, an aggregate of \$14,880,000 of principal amount of convertible debentures of Hiku (the "Debentures") were converted in connection with the Early Conversion Opportunity (as defined below) offered to holders, representing approximately \$3.1 million in interest savings for the Company.

On May 16, 2018, the Company provided the opportunity for holders to convert their Debentures between May 17, 2018 and June 7, 2018 and become eligible to receive 250 common share purchase warrants (the "Early Conversion Warrants") per \$1,000 of principal amount of Debentures so converted, in addition to

the common shares of Hiku to be received in connection with such conversion (the "Early Conversion Opportunity"). Each Early Conversion Warrant is exercisable into one common share of Hiku at a price of \$1.50 until May 16, 2021. The Company has issued an aggregate of 3,720,000 Early Conversion Warrants to former holders of Debentures in connection with the Early Conversion Opportunity.

About Hiku

Hiku is focused on building a portfolio of engaging cannabis brands, unsurpassed retail experiences and handcrafted cannabis production. With a national retail footprint led by Tokyo Smoke, craft cannabis production through DOJA's ACMPR licensed grow, and Van der Pop's female-focused educational platforms, Hiku houses an industry-leading portfolio that aims to set the bar for cannabis brands in Canada.

Hiku's wholly-owned subsidiary, DOJA Cannabis Ltd., is federally licensed to cultivate and sell cannabis pursuant to the ACMPR, owning two production facilities in the heart of British Columbia's Okanagan Valley. Hiku's subsidiary, Tokyo Smoke, has been conditionally awarded one of four master retail licenses in Manitoba. Hiku also operates a network of retail stores selling coffee, clothing and curated accessories, across British Columbia, Alberta and Ontario.

Forward-Looking Statements

This news release contains statements that constitute "forward-looking statements". Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause Hiku's actual results, performance or achievements, or developments in the industry to differ materially from the anticipated results, performance or achievements expressed or implied by such forward-looking statements. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the words "expects," "plans", "anticipates", "believes", "intends", "estimates", "projects", "potential" and similar expressions, or that events or conditions "will", "would", "may", "could" or "should" occur.

Forward-looking statements in this press release include, among others, Hiku being one of the world's largest private sector cannabis retailers, the approval of Hiku's Alberta storefront applications, the timing of such applications being considered, the timing of opening further retail locations in Alberta and Manitoba, the proposed e-commerce platform in Manitoba, the completion of the proposed transaction with Oceanic, the completion of the proposed transaction with WeedMD Inc., government approval for store openings in Newfoundland & Labrador, applicable stock exchange approval of the transaction with Oceanic, applicable stock exchange approval of the transaction with WeedMD Inc. and the federal government's legalization of adult-use cannabis. By their nature, forward-looking statements are based on the opinions and estimates of management at the date the information is made, and is subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking information. Hiku is not under any obligation, and expressly disclaims any intention or obligation, to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as expressly required by applicable law.

It is also noted that the transactions with each of Oceanic and WeedMD Inc. remain subject to applicable stock exchange approval.

The Canadian Securities Exchange has not approved nor disapproved the contents of this news release.

SOURCE Hiku Brands Company Ltd.

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