



THE FUTURE OF GENETICS | CSE: PACR

For Immediate Release

July 7th, 2020

PACROOTS ANNOUNCES DEFINITIVE CBD HEMP JOINT VENTURE

Vancouver, B.C., July 7th, 2020 – Pac Roots Cannabis Corp. (“PacRoots” or the “Company”) (CSE: PACR), is pleased to announce the execution of a definitive Investment Agreement with Rock Creek Farms (“RCF”) on a 100 acre commercial hemp operation, in Rock Creek, British Columbia.

Pursuant to the press release announced on May 29, 2020, PacRoots entered into a binding letter of intent with a private British Columbia company, now referred to as Rock Creek Farms to form the Outdoor Premium Hemp Joint Venture company, which will be owned 60% by Pac Roots and 40% by Rock Creek Farms.

On June 30th, the parties entered into a definitive Investment Agreement which defined the terms of their respective investments and the creation and governance of the joint venture company. Upon closing, a shareholder agreement will be entered into governing the operations of the joint venture company. RCF is controlled by Marc Geen, Alexander Kaulins and M&J Orchards, a Geen family company and has provided a commercial lease to the joint venture, for 50 acres of M&J owned land, with the remaining 50 acres under commercial lease through Speakeasy Cannabis Club.

PacRoots contribution to the joint venture will be an aggregate of \$450,000 in capital, of which \$200,000 has been funded to date and the balance of which will be funded upon closing of the investment agreement. RCF has contributed two commercial leases for over 100 acres of growing space, consulting services, cultivation licenses and equipment, agricultural infrastructure and intellectual property relating to commercial scale hemp operations and proprietary biomass storage techniques. Profits generated from the joint venture will be distributed first to PacRoots until its capital contributions have been repaid and thereafter in accordance with the interests in the joint venture held by the parties.

Closing of the investment agreement is conditional upon the completion of a financing of PacRoots generating aggregate gross proceeds of \$600,000 and receipt of any applicable regulatory approvals.

The Operational crews have been working around the clock to prepare the fields, install irrigation and plant the seedlings. Thus far, approximately 42,500 premium hemp CBD seedlings have been planted across 35 acres on the lower paddock and the remaining acreage is expected to be planted in the coming weeks. Pac Roots and Rock Creek Farms have planted a premium grade CBD Hemp variety through traditional and customized farming techniques while utilizing the rich native soil.

“The Joint Venture team has been extremely busy preparing and planting the 100 acres with Hemp CBD cultivars. We are thrilled with the short-term progress, making it possible for a 2020 production scenario to cultivate industrial Hemp in the ‘Golden Mile’. Our operational partners at Rock Creek Farms bring decades of generational farming expertise in one of Canada’s pre-eminent growing regions. It will be an exciting outdoor growing season for the Joint Venture as we anticipate a successful harvest in the fall.” **President and CEO, Patrick Elliott**

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Rock Creek is a well established agricultural mecca situated in British Columbia's 'Golden Mile' in the South Okanagan Valley. It is celebrated for its ideal climate conditions, honouring this region's tradition of excellence and a family legacy that has grown here for more than 120 years. PacRoots is delighted to be involved with such a rich heritage and years of agriculture expertise to apply to this 100-acre Hemp CBD Project. In accordance with the Industrial Hemp Regulations of the *Cannabis Act* (Canada), an industrial hemp license from Health Canada was issued on May 22nd, 2020 for the addresses relating to the acreages noted above. The license allows the collective to cultivate, sell, import, export, possess and process industrial hemp until March 15th, 2021.



Figure 1 - Recently Planted Premium CBD Hemp Cultivars on the lower 50 acres in Rock Creek, British Columbia

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Figure 2 - Photo of a young hearty hemp plant recently planted outdoors in Rock Creek, BC.

ON BEHALF OF PAC ROOTS CANNABIS CORP.

(signed) "Patrick Elliott"
Chief Executive Officer

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Certain statements included in this press release constitute forward-looking information or statements (collectively, "forward-looking statements"), including those identified by the expressions "anticipate", "believe", "plan", "estimate", "expect", "intend", "may", "should" and similar expressions to the extent they relate to the Company or its management. The forward-looking statements are not historical facts but reflect current expectations regarding future results or events. This press release contains forward looking statements. These forward-looking statements are based on current expectations and various estimates, factors and assumptions and involve known and unknown risks, uncertainties and other factors.

Statements about the Company's joint venture plans with BC Co and its intended industrial hemp license application are all forward-looking information.

Forward-looking statements are not guarantees of future performance and involve risks, uncertainties and assumptions which are difficult to predict. Factors that could cause the actual results to differ materially from those in forward-looking statements include failure to obtain an industrial hemp in a timely manner or at all, the continued availability of capital and financing, and general economic, market or business conditions, including the effects of COVID-19. Forward-looking statements contained in this press release are expressly qualified by this cautionary statement. These statements should not be read as guarantees of future performance or results. Such statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from those implied by such statements. Although such statements are based on management's reasonable assumptions, there can be no assurance that the statements will prove to be accurate or that management's expectations or estimates of future developments, circumstances or results will materialize. The Company assumes no responsibility to update or revise forward-looking information to reflect new events or circumstances unless required by law. Readers should not place undue reliance on the Company's forward-looking statements.

Neither the Canadian Securities Exchange (the "CSE") nor its Regulation Services Provider (as that term is defined in the policies of the CSE) accepts responsibility for the adequacy or accuracy of this release.

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