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Hiku Brands Files 2018 First Quarter Results

Hiku Focused on Building Iconic Cannabis Brands and Expansion with Adult-Use Legalization on the Horizon

FOR IMMEDIATE RELEASE – May 31, 2018 (Toronto): Hiku Brands Company Ltd. (CSE: HIKU) (“Hiku” or the “Company”) is pleased to announce the filing of its financial statements and management discussion and analysis for the first quarter ended March 31, 2018. These filings are available for review on the Company’s SEDAR profile at www.sedar.com.

“The first quarter of 2018 was one that focused on solidifying our vertically integrated cannabis company and positioning us to win in the legal adult-use market in Canada.” said Alan Gertner, CEO of [Hiku](#). “With our solid foundation of [Tokyo Smoke](#) and its existing retail footprint, our artisanal handcrafted cannabis grown at [DOJA](#)’s state of the art facility in British Columbia, and our iconic brands like [Van der Pop](#) and [Maïtri](#), we believe that Hiku is very well positioned to usher in the adult-use cannabis sector in Canada”. Mr. Gertner added, “We are excited about our announced merger with [WeedMD](#), a recognized leader in the medical cannabis sector. WeedMD brings considerable scalable production and seasoned R&D capabilities giving Hiku immediate access to cannabis flower, concentrates and innovative products that we believe will bolster our ability meet customers’ needs in the adult-use market.”

2018 Q1 Highlights

January

- **Launched Hiku** - The merger of DOJA Cannabis Company Limited and TS Brandco Holdings Inc. (“Tokyo Smoke”) closed and the combined company was renamed Hiku Brands Company Ltd. - becoming Canada’s first vertically integrated cannabis brand house and uniting the cannabis brands DOJA, Tokyo Smoke, and Van der Pop.

February

- **Awarded Manitoba Retail License** - 10006215 Manitoba Ltd. (“Tokyo Smoke Manitoba”), a company of which Hiku owns a 79.9% equity interest, with participation of BOBHQ, was conditionally awarded one of four master retail licenses in Manitoba’s Request for Proposal process for the opportunity to operate retail cannabis stores. The license gives Tokyo Smoke Manitoba the ability to operate legal retail cannabis stores and an online cannabis e-commerce platform in Manitoba.
- **Entered into First International Partnership in Jamaica** - Hiku entered into a letter of intent with Kaya Inc., the first licensed medical cannabis producer and dispensary operator in Jamaica, to launch a strategic alliance to pursue medical and adult-use cannabis branding, genetics, and retail opportunities in Jamaica and Canada.

March

- **Announced Cannabis Oil Partnership** - Signed a strategic partnership agreement with Vitalis Extraction Technology Inc., a Kelowna-based company at the forefront of CO2 extraction innovation.
- **Bolstered Leadership Team** - Made several key additions to the leadership team with significant expertise in retail, branding, government relations and communications.
- **Redefining the Cannabis Retail Experience** - Entered into an exclusive collaboration agreement with [Jackman Reinvention Inc.](#) (a strategic and creative brand consultancy with deep experience in retail execution) to create a blueprint for Hiku's dispensary build-outs in select provinces.
- **Bringing Exceptional Products to Market** - Entered into a letter of intent to establish a co-marketing, retail and select distribution relationship with [GSW Creative Corporation Inc., d/b/a dosist](#) ("dosist") (previously known as hmbldt), a leading wellness brand providing consistent, controlled and effective cannabis-based solutions.

Q2 2018 Highlights to Date

April

- **Received Sales License** - DOJA Cannabis Ltd. ("DOJA"), a wholly-owned subsidiary of Hiku, received an amendment to its sales license from Health Canada to include the sales of dried cannabis, cannabis plants and seeds.
- **Hiku & WeedMD Merger** - Hiku entered into a definitive agreement to merge with WeedMD Inc. ("WeedMD"), which would combine a premium cannabis brand house and retail focused operator in Hiku, with the significant production capabilities and differentiated medical brand in WeedMD (the "WeedMD Merger"). If the WeedMD Merger is completed, the combined company would have a diversified cannabis cultivation platform with four facilities from coast-to-coast with planned expansion capacity to potentially have the ability to produce over 56,000 kg by mid-2019.

May

- **Acquired Quebec-Based Cannabis Brand Maïtri** - The Company acquired 100% of the issued and outstanding shares of Maïtri Group Inc. ("Maïtri"), a Quebec-based cannabis accessory and design brand.
- **De-levered the Company's Balance Sheet** - The Company offered the opportunity for eligible holders of 8% unsecured convertible debentures of Hiku due December 28, 2020 (the "Debentures"), whom in aggregate held \$16,693,000 in principal, to elect to convert their Debentures during the period between May 17, 2018 and June 7, 2018 at the conversion price and in return receive an additional 250 common share purchase warrants ("Early Conversion Warrants") of Hiku per \$1,000 of principal amount of Debentures converted, in addition to the common shares of Hiku to be received in connection with such conversion. As at May 30, 2018,

debentureholders owning \$12,500,000 of outstanding Debentures elected to convert early and the Company now only has \$4,193,000 in principal amount of Debentures outstanding.

- **Newfoundland & Labrador Investment** - The Company entered into a binding letter of intent (the "Oceanic LOI") with Oceanic Releaf Inc. ("Oceanic") and the sole shareholder of Oceanic. Oceanic is a Newfoundland & Labrador-based late-stage applicant under the Access to Cannabis for Medical Purposes Regulations ("ACMPR"). Under the terms of the Oceanic LOI, Hiku will invest up to \$1,000,000 in cash and up to \$2,000,000 worth of common shares of Hiku in exchange for 25% of the post-closing aggregate issued and outstanding shares of Oceanic on a fully-diluted basis (the "Oceanic Strategic Investment"). In connection with the Oceanic Strategic Investment and pursuant to the Oceanic LOI, Hiku and Oceanic intend to become licensed for cannabis retail locations within the province, and will enter into a retail agreement governing the operation of these stores. The Oceanic Strategic Investment is contingent upon securing retail licenses from the Government of Newfoundland & Labrador allowing Hiku to operate stores within the province.

About Hiku Brands

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 a portfolio that aims to set the bar for cannabis brands in Canada.

Hiku's wholly-owned subsidiary, DOJA Cannabis Ltd., is a federally licensed to cultivate and sell cannabis pursuant to the ACMPR, owning two production facilities in the heart of British Columbia's Okanagan Valley. Tokyo Smoke Manitoba, a company of which Hiku owns a 79.9% equity interest, 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 document include, among others, the Company's expectations concerning the completion of the WeedMD Merger, the planned production capacity of the combined company, the arrival of the adult-use cannabis market, the Company's planned operations in Manitoba, the Company's strategic alliance with Kaya Inc. and any future operations in Jamaica, the build-outs of the Company's facilities and future dispensaries (if any) and the completion of the Oceanic Strategic Investment (if at all) and the terms thereof. 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.

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

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