



Blackhawk Growth Corp.

## **BLACKHAWK REACHES DEFINITIVE AGREEMENT TO COMPLETE INVESTMENT IN CALIFORNIA-BASED LICENSED CANNABIS PRODUCER**

Vancouver, British Columbia – June 18, 2020 – Blackhawk Growth Corp. (CSE:BLR; Frankfurt:0JJ; US-OTC:BLRZF) (the “**Company**”), is pleased to announce that it has entered into a definitive amalgamation agreement (the “**Definitive Agreement**”), dated effective June 17, 2020, with SAC Pharma Partners Inc. (“**SAC Pharma**”). Pursuant to the terms of the Definitive Agreement, the Company will acquire all of the issued and outstanding securities of SAC Pharma (the “**Transaction**”).

SAC Pharma is a privately-owned British Columbia company which, through its wholly-owned subsidiary, SAC Pharma Partners USA, Inc. (“**SAC Pharma USA**”), operates a facility for the licensed production of cannabis in California. SAC Pharma USA became fully operational in the regulated cannabis business when commercial sales became legal in California on January 1, 2018. Through its management’s contacts and network, SAC Pharma USA has formed a supply chain and set up a network of contracted distributors and retailers. SAC Pharma USA has a significant first-mover advantage as it has refined its cultivars, production techniques and has existing strategic relationships to facilitate distribution of its core products directly to the hands of retailers and customers. SAC Pharma USA’s production facility is located in the City of Sacramento, California. The Sacramento facility is a 15,000 square foot warehouse with a fully enclosed secure yard with on-site parking and dedicated shipping lanes. It received its State license from the California Department of Food and Agriculture on January 1, 2018 for an active canopy size of up to 10,000 SF. The Sacramento facility has been in operation since January 1, 2018, producing and selling cannabis through the Company’s licensed wholesaler arrangements in California.

### **Founder and CEO of Sac Pharma Partners USA: Corey Travis**

Holding a Bachelor of Science degree in Business Administration, Mr. Travis has been involved in the regulated cannabis industry since 2011. He has served as an advisor to several local jurisdictions in California to foster and govern the evolving cannabis industry. Mr. Travis is the founder of CannaLicensed, a cannabis business consulting firm that has helped clients to complete and submit cannabis license applications and to design efficient and effective cannabis facilities.

Mr. Travis excels in navigating the political and regulatory processes in the legal California cannabis market. He has a proven operations track record in California across retail, wholesale, production and related compliance over the past seven years. During that time, he has secured public support, land use entitlements and operating permits for a variety of permitted verticals.

Mr. Travis has been an executive of several California cannabis retailers and wholesalers as well as a founder of the successful Tahoe Hydroponics Company in Nevada.

Upon completion of the Transaction, Mr. Travis will be a consultant to SAC Pharma USA and will continue to run its operations full-time.

Following completion of the Transaction, SAC Pharma will form part of the Company's existing portfolio of investments in the cannabis sector. SAC Pharma's existing management will continue to retain responsibility for overseeing day-to-day operations, based upon an agreed budget.

### **Transaction Structure**

In accordance with the terms of the Definitive Agreement, SAC Pharma will amalgamate with a wholly-owned subsidiary of the Company, following which the resulting amalgamated entity will continue as a wholly-owned subsidiary of the Company. In consideration for completion of the Transaction, the Company will issue 120,000,000 common shares to the current shareholders of SAC Pharma in exchange for every share of SAC Pharma they hold.

Closing of the Transaction remains subject to a number of conditions, including receipt of the approval of the shareholders of SAC Pharma, as well as any required regulatory and third-party consents, the Company and SAC Pharma having agreed on a comprehensive budget for the operation of SAC Pharma following completion of the Transaction, including the engagement of a General Manager for SAC Pharma, certain outstanding indebtedness of SAC Pharma being secured against the assets of SAC Pharma USA, and the satisfaction of other customary closing conditions. The Transaction cannot be completed until these conditions have been satisfied, and there can be no assurance that the Transaction will be completed as proposed or at all.

The Company is at arm's length from SAC Pharma and its shareholders. The Transaction neither constitutes a fundamental change or change of business for the Company, nor will it result in a change of control of the Company within the meaning of applicable securities laws and the policies of the Canadian Securities Exchange.

"I am thrilled to announce a fantastic transaction with a simple objective" said Frederick Pels, CEO of Blackhawk Growth Corp. "With the acquisition of Sac Pharma we have a cash-flow positive asset that secures our entrance into the United States Cannabis marketplace. By utilizing Sac Pharma's management team, licenses and assets, combined with Blackhawk's intellectual property and brands, there should be tremendous value creation for Blackhawk and its shareholders. I am excited to work with Corey and the team at Sac Pharma as they continue to innovate, develop and distribute quality cannabis products and brands in California and eventually across the U.S."

The Company will provide additional information regarding completion of the Transaction as it becomes available.

**Frederick Pels, Chief Executive Officer**

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***Cautionary Note Regarding Forward-Looking Statement***

*All statements in this press release, other than statements of historical fact, are “forward-looking information” with respect to the Company within the meaning of applicable securities laws, including with respect to completion of the Transaction, the expected value creation from utilizing Sac Pharma’s management team, licenses and assets, combined with Blackhawk’s intellectual property and brands and the business activities of SAC Pharma, including expansion across the U.S.. The Company provides forward-looking statements for the purpose of conveying information about current expectations and plans relating to the future and readers are cautioned that such statements may not be appropriate for other purposes. By its nature, this information is subject to inherent risks and uncertainties that may be general or specific and which give rise to the possibility that expectations, forecasts, predictions, projections or conclusions will not prove to be accurate, that assumptions may not be correct and that objectives, strategic goals and priorities will not be achieved. These risks and uncertainties include but are not limited those identified and reported in the Company’s public filings under the Company’s SEDAR profile at [www.sedar.com](http://www.sedar.com). Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. The Company disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise unless required by law.*