



## Lineage Announces Closing of First Tranche of Private Placement

TORONTO, Jan. 29, 2018 -- Lineage Grow Company Ltd. (the "**Company**" or "**Lineage**") is pleased to announce the closing of the first tranche of its previously announced private placement of units of the Company (the "**Units**") to raise gross proceeds of up to \$4,000,000 (the "**Offering**") (please see the Company's news releases dated October 31, 2017 and November 20, 2017). The Company anticipates closing of a second tranche in short order.

An aggregate of 4,740,000 Units were issued in the tranche 1 closing completed on January 24, 2018 (the "**Tranche 1 Closing**") for gross proceeds of \$1,185,000. Each Unit has an issue price of \$0.25 and consists of one (1) common share in the capital of the Company (a "**Common Share**") and one common share purchase warrant (a "**Warrant**"). Each Warrant entitles the holder to purchase one additional Common Share at a price of \$0.325 per Common Share, exercisable for a 24-month period until January 24, 2020.

The Company entered into a finder's fee agreement dated January 24, 2018 (the "**Finders Fee Agreement**") with Foundation Markets Inc. and Bond Street Mercantile Ltd. (collectively, the "**Finders**") to act as Finders in the Offering. The Finders Fee Agreement replaces and terminates the engagement letter previously entered into for a brokered Offering and resulting in the Offering being changed to a non-brokered private placement. The Finders Fee Agreement provides that the Company will on each closing the Offering pay the Finders a Finders' fee equal to 8% of the proceeds raised outside of the United States, and issue Finders' options (the "**Finder Options**") to acquire 8% of the Units sold in the Offering outside of the United States at \$0.25 per Unit exercisable for a 24-month period.

On the Tranche 1 Closing, the Company paid Finders' fees of \$94,800 and issued 379,200 Finders' Options to the Finders and their selling group members, with each Finder Option entitling the holder to purchase one Unit at a price of \$0.25 per Unit, exercisable until January 24, 2020.

All securities issued in the Tranche 1 Closing are subject to a four month hold period expiring May 25, 2018.

### About Lineage Grow Company Ltd.

Lineage Grow Company Ltd. is a reporting issuer that has applied to list on the Canadian Securities Exchange ("**CSE**"). Lineage is focused on establishing, either directly or through joint venture with licenced producers, state-of-the-art cultivation facilities and a view towards developing a dominant brand of premium quality craft cannabis. Lineage is seeking to deploy advanced cultivation techniques and best-of-breed genetics to develop brands of craft cannabis known for emphasizing the unique flavors, smells, and potencies of each individual strain. By leveraging innovative agricultural and technological solutions, Lineage intends to optimize the variable costs associated with cannabis cultivation and successfully produce craft cannabis at a commercially viable industrial scale.

### For further information, please contact:

#### David Drutz, CEO

Lineage Grow Company Ltd.

(416) 479-4142

Email: [ddrutz@lineagegrow.com](mailto:ddrutz@lineagegrow.com)

*This news release may contain forward-looking statements and information based on current expectations. Any such forward-looking statements may be identified by words such as "expects", "anticipates", "believes", "projects", "plans" and similar expressions. Forward looking information in this news release includes the following statements: (i) expectation on closing the second tranche of the Offering and timing for the second tranche, (ii) management's plan to deployment advanced cultivation techniques and best-of-breed genetics, and (iii) Lineage's intention to optimize the variable costs associates with cannabis cultivation and successfully produce craft cannabis at a commercially viable industrial scale.*

*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. Such risks include operational risks; U.S. federal regulation risks; variation in state regulations; change of cannabis laws; security risks; risks related to operational permits and authorizations; risks on liability, enforcement complaints etc.; banking risks; risk that the Company's limited operating history makes evaluating its business and prospects difficult; need for funds; risk that the Company may be exposed to infringement or misappropriation claims by third parties, which, if determined adversely to the Company, could subject the Company to significant liabilities and other costs; risk that the Company may need to incur significant expenses to enforce its proprietary rights, and if the Company is unable to protect such rights, its competitive position could be harmed; risks related to trade secrets; risk that Company is dependent upon its existing management, its key research and development personnel and its growing and*

*extraction personnel, and its business may be severely disrupted if it loses their services; risk of potential for conflict of interest; risk related to inability to innovate and find efficiencies; competition risks; risk that a drop in the retail price of medical marijuana products may negatively impact the business; consumer acceptance of marijuana; potential future acquisitions and/or strategic alliances may fail to materialize and may have an adverse effect on the Company's ability to manage its business; risk on management of growth; risk related to general economic trends; tax risk and currency fluctuation risks. There is no certainty that any of these events will occur. Although such statements are based on management's reasonable assumptions, there can be no assurance that such assumptions will prove to be correct. We assume no responsibility to update or revise them to reflect new events or circumstances.*

*Company's securities have not been registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or applicable state securities laws, and may not be offered or sold to, or for the account or benefit of, persons in the United States or "U.S. Persons", as such term is defined in Regulation S under the U.S. Securities Act, absent registration or an applicable exemption from such registration requirements. 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 the securities in the United States or any jurisdiction in which such offer, solicitation or sale would be unlawful.*

*Additionally, there are known and unknown risk factors which could cause the Company's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information contained herein. All forward-looking information herein is qualified in its entirety by this cautionary statement, and the Company disclaims any obligation to revise or update any such forward-looking information or to publicly announce the result of any revisions to any of the forward-looking information contained herein to reflect future results, events or developments, except as required by applicable securities laws.*