



Lineage Announces Closing of Final Tranches of Brokered Private Placement and Praises the CSA and CDS for Enacting Positive Positions Towards Issuers With U.S. Marijuana-Related Activities

TORONTO, Feb. 20, 2018 -- Lineage Grow Company Ltd. (the "**Company**" or "**Lineage**") is pleased to announce the closing of the final tranches of its previously announced brokered private placement (the "**Concurrent Financing**") 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).

A total of 7,389,664 Units were issued in three tranches with total gross proceeds of \$1,847,416, with 3,442,065 Units (\$860,516.17) issued in the second tranche on February 8, 2018, 3,047,600 Units (\$761,900) issued in the third tranche on February 14, 2018 and 900,000 Units (\$225,000) issued in the fourth and final tranche on February 16, 2018. Each Unit has an issue price of \$0.25 and consists of one (1) common share in the capital of the Company ("**Common Share**") and one (1) common share purchase warrant ("**Warrant**"). Each Warrant will entitle the holder to purchase one Common Share at a price of \$0.325 per Common Share, exercisable for a 24-month period from the applicable issue date.

The Company paid finders fees totaling \$99,700 in the final three tranches (\$62,900 in the second tranche on February 8, 2018, \$18,800 in the third tranche on February 14, 2018 and \$18,000 in the fourth tranche on February 16, 2018). In addition, the Company issued a total of 778,000 finder options (the "**Finder Options**") to registrants who acted as finders in the final three tranches of the Offering (with 251,600 Finder Options issued in the second tranche on February 8, 2018, 75,200 Finder Options issued in the third tranche on February 14, 2018 and 72,000 Finder Options issued in the fourth tranche on February 16, 2018). Each Finder Option entitles the holder to purchase one Unit at a price of \$0.25 per Unit, exercisable for a 24-month period from the applicable issue date of the Finder Options.

Together with the first tranche closing on January 24, 2018, the Company issued a total of 12,129,664 Units to raise total gross proceeds of \$3,032,416 in all four tranches of the Offering. All Common Shares, Warrants and Finder Options issued in the Offering are subject to a four-month resale restriction expiring June 9, 2018 if issued in the second tranche, June 15, 2018 if issued in the third tranche, and June 17, 2018 if issued in the fourth tranche.

In addition, Lineage is pleased to mention the Canadian Securities Administrators' (the "**CSA**") latest update to Staff Notice 51-352 – *Issuers with U.S. Marijuana-Related Activities* (the "**Notice**") and the Memorandum of Understanding (the "**MOU**") signed between CDS Clearing and Depository Services Inc. ("**CDS**") and Canadian equities exchanges. In the Notice, the CSA clarified its disclosure expectations applicable to all issuers with U.S. marijuana-related activities, encompassing those directly involved in the cultivation and distribution of marijuana, and those providing goods and services to third parties in the U.S. marijuana industry. The CSA reinforced its position that an approach based on disclosure remains appropriate due to the risks associated with the uncertain political climate concerning the U.S. marijuana industry. The CSA also reinforced the rights of individual stock exchanges to determine eligibility of individual issuers to list based on their respective listing requirements.

The Company believes the signing of the MOU by CDS and Canadian equities exchanges is also a positive development for issuers with U.S. marijuana-related activities. The MOU underlines CDS' reliance on individual exchanges to review conduct of their listed issuers based on those exchanges' respective listing requirements. The Canadian Securities Exchange (the "**CSE**"), a signatory of the MOU, has been very supportive of issuers with U.S. marijuana-related activities.

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.

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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) management's belief that the signing of the MOU is a positive development for issuers with U.S. marijuana-related activities; (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.