



Lineage Expands From Coast to Coast With Aggressive Nationwide Dispensary Strategy

TORONTO, May 08, 2018 -- Lineage Grow Company Ltd. (the "**Company**" or "**Lineage**") (CSE:BUDD), is pleased to announce that the Company has entered into a letter of intent ("**LOI**") with Quinsam Capital Corp. ("**Quinsam**") to acquire Quinsam's 35% interest in Herbiculture Inc. ("**Herbiculture**"), a medical marijuana dispensary located in Burtonsville, Maryland (the "**Transaction**").

Transaction Overview

Herbiculture is a fully-licensed medical marijuana dispensary which opened its doors to patients in February 2018 and has achieved sales of approximately USD\$91,000 and USD\$100,000 for the months of March 2018 and April 2018, respectively.

The dispensary is one of the few licensed medical marijuana retailers operating in the state of Maryland and is one of only two license holders permitted to operate in Maryland's 14th Senatorial District. Herbiculture is strategically located in the epicenter of Montgomery County - the most populous county in Maryland and is situated in close proximity to two major metropolitan areas: Baltimore and Bethesda.

Management Commentary

Peter Bilodeau, CEO of Lineage, commented - "Herbiculture is a best-of-breed dispensary located in a market with high barriers to entry and a thriving medical marijuana patient community. We see significant value and upside in this transaction as we're investing in a high-value license attached to an operator who is achieving impressive performance on the ground. This strategic investment marks another important milestone in our aggressive U.S. growth strategy and we look forward to pursuing additional near-term growth initiatives."

Maryland Medical Marijuana Market

In 2012, a State law was enacted in Maryland to establish a state-regulated medical marijuana program. Legislation was signed in May 2013 and the program became operational on December 1, 2017. Under Maryland regulations, there is a cap of 102 dispensary licenses (only 46 of which are currently licensed as of April 13, 2018), limited to two per state senatorial district. According to cannabis market research firm New Frontier Data, with over 8,500 patients currently certified for use of medical marijuana (over 12,000 signed up to become eligible) and over 550 medical practitioners registered to certify patients as eligible, the market in Maryland is expected to be worth US\$221 million by 2021.

Transaction Details

Pursuant to the LOI, Lineage will acquire Quinsam's 35% equity interest in Herbiculture for total consideration of US\$720,000, to be satisfied by Lineage issuing to Quinsam 3,900,000 common shares of Lineage upon closing of the Transaction at a price of US\$0.1846 per share. On closing, Lineage will also enter into an agreement with Herbiculture and its shareholders for Lineage to be granted a right of refusal to purchase 35% of securities offered by Herbiculture and a tag along right in case the majority shareholders of Herbiculture sell their stake.

The Transaction is subject to a number of conditions, including but not limited to, final due diligence by the respective parties, execution of a definitive acquisition agreement (the "**Definitive Agreement**") which shall supersede the LOI, receipt of applicable corporate approvals, and other regulatory and/or governmental approval. There can be no assurance that the Transaction will be completed as proposed or at all.

FMI Capital Advisory Inc. is acting as exclusive financial advisor to Lineage in connection with the Transaction.

About Lineage Grow Company Ltd.

Lineage Grow Company Ltd. is a reporting issuer that is listed on the Canadian Securities Exchange ("**CSE**"). Lineage is focused on establishing, either directly or through joint venture with licensed producers, dominant vertically-integrated cannabis businesses that leverage best-in-class cultivation, distribution, and retail assets. Lineage is targeting legalized cannabis markets across multiple jurisdictions in the United States and Canada and is seeking to deploy best practices in cultivation and retail management to drive performance across the Company's asset base. Lineage has entered into binding letters of intent to purchase two cannabis dispensaries in Oregon and one in San Jose, California.

For further information, please contact:

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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) the expected terms and conditions for the Transaction; (ii) management's belief of significant value and upside in the Transaction; (iii) management's belief that Herbiculture is a high-value license attached to an operator who is achieving impressive performance on the ground; (iv) management's intention of pursuing additional near-term growth initiatives; (v) management's belief that the medical marijuana market in Maryland is expected to be worth US\$221 million by 2021; (vi) management's plan to establish dominant vertically-integrated cannabis businesses that leverage best-in-class cultivation, distribution, and retail assets; (vii) management's intention to target legalized cannabis markets in the United States and Canada; and (viii) management's plan to deploy best practices in cultivation and retail management to drive performance across the Company's asset base. 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. For details of the risks faced by the Company, please see the Company's listing statement dated February 26, 2018 available at www.sedar.com under the Company's profile. 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. 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.