# Lineage Announces $10 Million Convertible Debenture Offering

TORONTO, July 10, 2018 -- Lineage Grow Company Ltd. (the "**Company**" or "**Lineage**") (CSE:BUDD) is pleased to announce that it is undertaking a non-brokered private placement offering (the "**Offering**"). Pursuant to the Offering, the Company will issue up to CAD $10,000,000 aggregate principal amount of convertible debenture units (the "**Convertible Debenture Units**") at a price of $100 per Convertible Debenture Unit.

The proceeds of the Offering will be used by the Company for the acquisition and build-out of facilities in California, Oregon, and Washington; general working capital requirements; and general corporate purposes. In particular, the Company intends to issue approximately 57,030 units (CAD $5.7 million) to certain vendors in exchange for acquiring their interests in Walnut Oaks, LLC, a California-based cannabis producer. Accordingly, the Company intends to raise net cash proceeds of approximately CAD $4.3 million to fund other capital projects and general corporate purposes.

Each Convertible Debenture Unit will consist of $100 principal amount of 10.0% unsecured convertible debentures (a "**Convertible Debenture**") and 143 common share purchase warrants (the "**Warrants**") of the Company. Each Convertible Debenture will be convertible into Common Shares, at the option of the holder, at a **conversion price of $0.35 per Common Share** (the "**Conversion Price**") at any time after the first anniversary of the closing date of the Offering (the "**Closing Date**") until the third business day prior to maturity. The conversion may be accelerated by the Company by at least 30-days' notice if after four months plus one day following the Closing Date the volume weighted average price of Common Shares ("**VWAP**") on the Canadian Securities Exchange (the "**CSE**") of the Common Shares is greater than $0.40 for any 20 consecutive trading days.

The Convertible Debentures will mature on the third anniversary of the Closing Date and will bear interest at a rate of 10% per annum, calculated in arrears and payable semi-annually on June 30 and December 31 of each year. Unless an event of default has occurred and is continuing, the Company may elect, from time to time, subject to applicable regulatory approval, to satisfy its obligation to pay interest on the Debentures, by delivering Common Shares to the Debenture holders within three business days after the date interest is payable at an issue price equal to VWAP for the 10 trading days ending on the third trading day prior to the date of issuance.

Upon a change of control, holders of the Convertible Debentures will have the right to require the Company to repurchase their Convertible Debentures, in whole or in part, on the date that is 30 days following the giving of notice of the Change of Control, at a price equal to 100% of the principal amount of the Convertible Debentures then outstanding. If 90% or more of the principal amount of the Convertible Debentures request the repurchase, the Company will have the right to repurchase all of the remaining Convertible Debentures.

The Company will pay registered finders a finder's fee equal to 8% of the aggregate gross proceeds of the Offering. The finders will receive a number of common share purchase warrants ("**Finder's Warrants**") equal to 8.0% of the Common Shares potentially issuable upon the conversion of the aggregate principal amount of Convertible Debentures sold under the Offering. Each Finder's Warrant shall be exercisable into one Common Share at an exercise price of C$0.35 per Common Share at any time prior to the Maturity Date. There will be no finder compensation on Units sold to Purchasers in the United States.

The Offering is to be issued in the provinces of Canada, offshore and the United States pursuant to an exemption from US Registration Requirements and such other jurisdictions as may be agreed to by the Company and the finders, by way of private placement exemptions from prospectus requirements, subject to the receipt of necessary regulatory approvals.

**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 assembling licensed operators with good growth potential and superior management, either through direct acquisition or through joint ventures, with an aim towards a dominant vertically-integrated cannabis business that leverages best-in-class cultivation, brands, 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, branding, distribution, 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, one in San Jose, California. In addition, Lineage has entered into an agreement to acquire a 35% interest in a dispensary in Maryland and another agreement for a 20% interest in a grower/processor permit applicant in Pennsylvania.

For updates on the Company's activities and highlights of the Company's press releases, investor deck and other media coverage, please visit Lineage's web site (under construction) at www.lineagegrow.com.

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This news release may contain "forward-looking" statements and information based on current expectations. These "forward looking" statements may use such words as "may", "will", "expect", "believe", "plan" and other similar terminology. These statements reflect management's current expectations regarding future events and operating performance and speak only as of the date of this press release. Forward looking information in this press release includes the statement that the Company may complete the Offering, the terms of the Offering, the expected use of proceeds, management's plan to establish dominant vertically-integrated cannabis businesses that leverage best-in-class cultivation, brands, distribution, and retail assets; and management's intention to target legalized cannabis markets across multiple jurisdictions in the United States and Canada; and (xii) management's plan to deploy best practices in cultivation, branding, distribution 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. 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. 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.

**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.**