



Lineage Announces Closing of the Terpene Station Acquisition

TORONTO, Oct. 01, 2018 -- Lineage Grow Company Ltd. (the "**Company**" or "**Lineage**") (CSE:BUDD) is pleased to announce the closing of the previously announced acquisition of the assets of Rosebuds Bakery, LLC d/b/a Terpene Station and Brooklyn Holding Co. d/b/a Terpene Station Portland (the "**Terpene Station Acquisition**").

Terpene Station is a leading cannabis retailer in Oregon engaged in the selling of cannabis products such as flower, edibles and oils. The Portland location was the first licensed recreational store in the state and both locations are recognized for their premium product offerings and track record of serving the craft segment of the Oregon cannabis market.

Pursuant to the terms of the asset purchase agreements (the "**APAs**") between the Company and Rosebuds Bakery, LLC and Brooklyn Holding Co., the purchase price payable by the Company consisted of:

- i. a cash payment of USD \$400,000; and
- ii. the issuance of a secured convertible note in the principal amount of USD \$800,000 convertible into common shares in the capital of Lineage ("**Lineage Shares**") at a price of CAD \$0.35 per share.

In connection with the closing of the APAs, the Company also issued a stock finder's fee of 386,909 Lineage Shares to FMI Capital Advisory Inc., a Toronto-based investment bank.

Peter Bilodeau, CEO of Lineage, commented - "We are very pleased to have closed the Terpene Station Acquisition. We're also tremendously proud to be doing business in the State of Oregon and we look forward to offering clients an exceptional cannabis retail experience."

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 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. These statements should not be read as guarantees of future performance or results. 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.