



Update on Reverse Take-Over With FLRish and Concurrent Financing

TORONTO, May 06, 2019 -- Lineage Grow Company Ltd. (CSE:BUDD) (“Lineage” or the “Company”) issues this press release to update its shareholders and others with respect to its reverse take-over transaction (the “RTO”) with FLRish, Inc. (“FLRish”), and proposed concurrent financing of FLRish by way of private placement of a minimum of C\$10 million of subscription receipts (the “Financing”), further to its management information circular dated April 9, 2019, and amended on April 30, 2019 (the “Circular”) for its special shareholder meeting scheduled to be held on May 16, 2019 (the “Meeting”). The Circular also includes a draft listing statement of Lineage with respect to the RTO (the “Listing Statement”).

The terms of the Financing have been revised from what was disclosed in the Circular and the Listing Statement in that the price for the subscription receipts will be reduced from C\$7.75 to C\$7.00, each subscription receipt will be converted into one FLRish share and one full warrant, instead of one half of one warrant and the warrant exercise price will be reduced from C\$9.70 to C\$8.75 (the “Financing Amendments”). The broker warrants to be issued in the Financing are also repriced to C\$7.00. Other terms of the Financing and the RTO remain unchanged from the disclosure in the Circular and the Listing Statement.

As a result of the Financing Amendments, Lineage shareholders will be subject to increased dilution from the Financing. Lineage shareholders will receive approximately 3.4% of the shares (“Resulting Issuer Shares”) of the issuer resulting from the RTO (the “Resulting Issuer”), instead of approximately 3.5% of the Resulting Issuer Shares as previously disclosed in the Listing Statement.

Upon closing of the RTO, the Resulting Issuer will have the following capitalization after giving effect to the Financing Amendments:

Designation of Securities	Subordinate Voting Shares (Minimum Offering)	Subordinate Voting Shares (Maximum Offering)	Subordinate Voting Shares (Full Exercise of Over-Allotment Option)
Non-Diluted Subordinate Voting Shares	4,569,626	12,350,271	16,457,690
Total Lineage Convertible Securities (including Lineage Special Shares)	3,047,223	3,047,223	3,047,223
Total FLRish Convertible Securities	45,472,645	49,885,547	50,657,806
Total Convertible Securities	48,519,868	52,932,770	53,705,029
Total Fully Diluted Capital	53,089,493	65,283,041	70,162,719

The following is a detailed pro-forma capitalization for the Resulting Issuer after giving effect to the Financing Amendments.

Designation of Securities	Number of Underlying Subordinate Voting Shares (Minimum Offering)	Number of Underlying Subordinate Voting Shares (Maximum Offering)	Number of Underlying Subordinate Voting Shares (Full Exercise of Over-Allotment Option)	Percentage (Minimum Offering)	Percentage (Maximum Offering)	Percentage (Full Exercise of Over-Allotment Option)
Lineage Existing Shareholders	1,827,742	1,827,742	1,827,742	3.4%	2.6%	2.4%
Conversion of Lineage Series A Special Shares	1,070,707	1,070,707	1,070,707	2.0%	1.5%	1.4%
Advisory Fee for FMICA for Transaction	405,534	448,391	455,891	0.8%	0.6%	0.6%
FLRish Existing Shareholders	-	-	-	0.0%	0.0%	0.0%
FLRish Series B Convertible Debenture Holders	2,965,794	2,965,794	2,965,794	5.5%	4.2%	3.8%
FLRish Concurrent Financing Purchasers	1,428,571	10,000,000	11,500,000	2.7%	14.0%	14.8%
Airfield Stock Consideration	-	-	3,040,000	0.0%	0.0%	3.9%
Non-Diluted Subordinate Voting Shares	7,698,349	16,312,635	20,860,135	14.4%	22.8%	26.9%
Lineage Warrants	557,357	557,357	557,357	1.0%	0.8%	0.7%
Lineage Convertible Debts	72,696	72,696	72,696	0.1%	0.1%	0.1%
Lineage Options	134,232	134,232	134,232	0.3%	0.2%	0.2%
Lineage Series B Special Shares	275,325	275,325	275,325	0.5%	0.4%	0.4%

Lineage Series C Special Shares	336,508	336,508	336,508	0.6%	0.5%	0.4%
Shares issuable to Vendors in Lineage's LUX Acquisition	430,315	430,315	430,315	0.8%	0.6%	0.6%
Shares issuable to finder for Lineage's LUX Acquisition	20,046	20,046	20,046	0.0%	0.0%	0.0%
Shares issuable to Vendors in Lineage's Agris Farms Acquisition	606,958	606,958	606,958	1.1%	0.8%	0.8%
Convertible Debt for assumption of Lineage's Agris Farms Acquisition	251,087	251,087	251,087	0.5%	0.4%	0.3%
Warrants issuable for Lineage's Agris Farms Acquisition	221,920	221,920	221,920	0.4%	0.3%	0.3%
FMICA M&A Fee for Legacy Pipeline Acquisitions	140,778	140,778	140,778	0.3%	0.2%	0.2%
Total Lineage Convertible Securities	3,047,223	3,047,223	3,047,223	5.7%	4.3%	3.9%
Series B Convertible Debenture Holders	4,593,581	4,593,581	4,593,581	8.6%	6.4%	5.9%
FLRish Existing Shareholders Multiple Voting Shares (expressed in Subordinate Voting Share terms)	25,902,918	25,902,918	25,902,918	48.3%	36.3%	33.4%
FLRish Options (expressed in Subordinate Voting Share terms)	6,556,378	6,556,378	6,556,378	12.2%	9.2%	8.5%
Series B Warrants (expressed in Subordinate Voting Share terms)	3,989,124	3,989,124	3,989,124	7.4%	5.6%	5.1%
Series B Broker & Compensation Warrants	311,544	311,544	311,544	0.6%	0.4%	0.4%
Concurrent Financing Warrants	1,428,571	10,000,000	11,500,000	2.7%	14.0%	14.8%
Concurrent Financing Broker Warrants	100,000	700,000	805,000	0.2%	1.0%	1.0%
Total FLRish Convertible Securities	42,882,116	52,053,545	53,658,545	80.0%	72.9%	69.2%
Total Convertible Securities	45,929,339	55,100,768	56,705,768	85.6%	77.2%	73.1%
Total Fully Diluted Capital	53,627,688	71,413,403	77,565,903	100.0%	100.0%	100.0%

On closing of the RTO, the Resulting Issuer will file a Listing Statement to include updated information including the closing of the RTO and Financing, as well as updated financial statements.

About Lineage Grow Company Ltd.

Lineage Grow Company Ltd. is a reporting issuer that is listed on the Canadian Securities Exchange ("**CSE**"). Lineage is currently focused on operating two retail licensed stores located in two prominent cities in Oregon (Portland and Eugene), and on assembling licensed operators with good growth potential and superior management, either through direct acquisition or through joint ventures, with an aim towards building a dominant vertically-integrated cannabis business that leverages best-in-class cultivation, brands, distribution, and retail assets. Lineage has entered into a purchase agreement with Agris Farms and a binding letter of intent to acquire LUX. In addition, Lineage and Harborside have entered into a binding letter agreement pursuant to which Lineage will acquiring all the issued and outstanding securities of Harborside in a reverse takeover transaction.

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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The CSE (operated by CNSX Markets Inc.) has in no way passed upon the merits of the Business Combination and has neither approved nor disapproved of the contents of this press release.

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This news release contains forward-looking statements and information based on current expectations. Generally, forward looking information can be identified by the use of forward looking terminology such as "plans", "expects", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might", or "will be taken", "occur", or "be achieved". Forward looking information in this press release includes the information concerning the RTO, the expected terms for the Financing, the expected resulting issuer capitalization, expectations regarding the listing of the shares of the Resulting Issuer on the CSE; management's plan to develop dominant brand of premium quality craft cannabis; and management's intention to successfully produce craft cannabis at an 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. 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. 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.