



Lineage Provides Update on Harborside RTO and Closing of Harborside \$19.65 Million Subscription Receipt Financing

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TORONTO, May 28, 2019 -- Lineage Grow Company Ltd. (CSE:BUDD) ("**Lineage**" or the "**Company**") is pleased to provide update on the proposed reverse takeover transaction (the "**Reverse Takeover**") with FLRish, Inc. d/b/a/ Harborside ("**Harborside**").

Lineage Shareholder Approval

At the special meeting of shareholders of Lineage held on May 16, 2019, shareholders approved various matters relating to the Reverse Takeover, including (i) an amendment to the articles of Lineage creating certain special shares, (ii) an amendment to the articles of Lineage consolidating the Lineage common shares (the "**Consolidation**") and re-designating the post-Consolidation common shares as subordinate voting shares (the "**Subordinate Voting Shares**"), creating a new class of multiple voting shares and changing the name of the Company, (iii) a new equity incentive plan for the Company as the resulting issuer from the Reverse Takeover (the "**Resulting Issuer**"), (iv) an updated set of by-laws which will include advance notice provisions, and (v) a shareholder rights plan for the Resulting Issuer. With respect to the approval of Lineage shareholders of the Reverse Takeover, in addition to the shareholder approval required under corporate law, Lineage obtained a majority of minority approval for the Reverse Takeover, in which Lineage common shares held by Lineage insiders were excluded from voting, to satisfy the requirements under Ontario Securities Commission Rule 56-501 – *Restricted Shares*,

At the meeting, Lineage shareholders also elected Andrew Berman, Peter Bilodeau, Adam Szweras, Matthew K. Hawkins, Tracy Geldert, Sherri Altshuler and Nayir Felix Munoz as directors of the Corporation taking effect on completion of the Reverse Takeover.

Lineage Files Articles of Amendment and Declares Stock Dividend

Lineage filed articles of amendment on May 24, 2019 to create a new class of special shares (the "**Special Shares**"), issuable in series, the first series to consist of up to 45,000,000 special shares designated as Series A special shares (the "**Series A Special Shares**"), the second series to consist of up to 12,000,000 special shares designated as Series B special shares (the "**Series B Special Shares**"), and the third series to consist of up to 15,000,000 special shares designated as Series C special shares (the "**Series C Special Shares**").

The Special Shares are non-voting and are not entitled to receive notice of meeting of shareholders, unless otherwise required by law. The Special Shares are not entitled to vote as a separate class, unless otherwise required by law. The Special Shares will not receive any dividend and will not participate in distribution of Lineage's assets in case of dissolution or winding up.

Each Series A Special Share will be automatically converted into one pre-Consolidation Lineage common share upon the completion of the Reverse Takeover without payment of additional consideration or any further action by the holder. Each Series B Special Share will be automatically converted into one pre-Consolidation Lineage common share upon the completion of the proposed acquisition of shares of Lucrum Enterprises, Inc. d/b/a LUX (the "**Lux Acquisition**") without payment of additional consideration or any further action from the holder. Each Series C Special Share will be automatically converted into one pre-Consolidation Lineage common share upon the completion of the proposed acquisition of Walnut Oaks, LLC d/b/a Agris Farms (the "**Agris Farms Acquisition**") without payment of additional consideration or any further action from the holder.

The board of directors of Lineage declared a stock dividend on May 24, 2019 to holders of Lineage common shares as at the record date of May 23, 2019, in aggregate (a) 44,775,010 Series A Special Shares; (b) 11,513,533 Series B Special Shares; and (c) 14,072,120 Series C Special Shares, which special shares were issued on May 24, 2019. No certificates will be issued for the Special Shares, and instead, Lineage's transfer agent will issue Direct Registration Statements DRS (for stock dividend) to the eligible shareholders.

If after the issuance of the Special Shares, the Lineage common shares are consolidated in the Consolidation and are reclassified on a post-Consolidation basis as Subordinate Voting Shares, then the number of underlying shares will be adjusted so that approximately 41.818182 Special Shares will be converted into one Subordinate Voting Share.

Unless all of the Special Shares shall have otherwise been converted on or prior to end of business on July 2, 2019 with respect to Series A Special Shares, or 180 days after the Reverse Takeover closing with respect to Series B Special Shares and Series C Special Shares, the applicable Special Shares shall be automatically redeemed and shall be deemed to be redeemed without any act by holders, at a redemption price of C\$0.000001 per Special Share. All Special Shares redeemed by Lineage will be cancelled.

Harborside Financing Closing

The Company is also pleased to announce that Harborside has closed its private placement (the "**Financing**") of subscription receipts (the "**Subscription Receipts**"), for aggregate gross proceeds of approximately C\$19.65 million. AltaCorp Capital Inc.

("AltaCorp") and Foundation Markets Inc. ("FMI") served as co-lead agents on behalf of a syndicate of agents which included Cormark Securities Inc., Beacon Securities Limited and Haywood Securities Inc. (collectively with AltaCorp and FMI, the "Agents"). The net proceeds from the Financing, following release from escrow, are expected to be used to provide the Resulting Issuer with general working capital and to support Harborside's initiatives throughout California.

Each Subscription Receipt shall be automatically exchanged, without any further act or formality on the part of the holder of such Subscription Receipt, and for no additional consideration, for (i) one share of Class D common stock in the capital of Harborside (a "Common Share") and (ii) one Common Share purchase warrant (a "Warrant") which will entitle the holder to acquire one Common Share at a price of C\$8.75 for a period of two years, subject to adjustment and/or acceleration in certain circumstances, immediately prior to the completion of the Reverse Takeover and upon the satisfaction or waiver (to the extent such waiver is permitted) of certain other conditions (the "Escrow Release Conditions"). Pursuant to the Reverse Takeover, if and when completed, holders of the Common Shares will receive one subordinate voting share (a "Subordinate Voting Share") in the capital of the Resulting Issuer in exchange for each Common Share held, and, following the completion of the Reverse Takeover, the Warrants will be exercisable for Subordinate Voting Shares. The gross proceeds of the Financing, less the Agents' expenses and 50% of the Agents' commission, are being held in escrow pending the satisfaction or waiver of the Escrow Release Conditions, which include the completion of the Reverse Takeover.

Harborside Shareholder Approval

At a special meeting of shareholders of Harborside held on May 20, 2019, shareholders approved the principal terms of the Merger Agreement and the transactions contemplated thereby, including the Reverse Takeover. In addition, holders of Harborside's outstanding preferred stock voted to waive their rights to certain payments they would otherwise have been entitled to as a result of the Reverse Takeover.

No Offer or Solicitation

None of the securities of Harborside or the securities issued in connection with Financing or the Reverse Takeover have been or will be 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 news release shall neither constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities in any jurisdiction in which the offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of any such jurisdiction.

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 merger 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.

Disclaimer for Forward-Looking Information

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.