



Planet 13 Announces Acquisition of 45,000 Square Feet of Indoor Cultivation

All figures are stated in United States dollars (\$) unless otherwise indicated

Las Vegas, Nevada – July 17, 2020 – Planet 13 Holdings Inc. (CSE: PLTH) (OTCQX: PLNHF) (“Planet 13” or the “Company”), a leading vertically-integrated Nevada cannabis company, announced today that it has entered into an asset purchase agreement (the “Asset Purchase Agreement”) pursuant to which it has acquired cannabis inventory, equipment and tenant improvements, and subject to regulatory approval will acquire the Nevada cannabis licenses at a 45,000 square foot indoor cultivation and production facility in Las Vegas, Nevada (the “Facility”) from West Coast Development Nevada, LLC (“WCDN”). Planet 13 is paying \$1.156 million for the cannabis inventory, and \$3 million for the operating assets, licenses, equipment and tenant improvements which payment is comprised of \$0.5 million in cash and \$2.5 million of common shares in the capital of Planet 13 (the “Consideration Shares”), resulting in the issuance by the Company of 1,374,833 Consideration Shares based on a 10-day VWAP, all of which shares are being held in escrow until the Second Closing (as defined below). The license transfer under the Asset Purchase Agreement is contingent on approval by the State of Nevada’s Cannabis Control Board (“CCB”), and upon receiving such approval the Consideration Shares will be released from escrow to WCDN.

Concurrent with the signing of the Asset Purchase Agreement, Rx Land, LLC (“RX Land”), an entity owned by Planet 13’s Co-CEOs, separately acquired the Facility for \$3.3 million. On the Second Closing, Planet 13 will enter into a lease agreement with RX Land for the Facility (the “Lease Transaction”). The Lease Transaction will constitute a related party transaction under Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“MI 61-101”), but is otherwise exempt from the formal valuation and minority approval requirements of MI 61-101. The Lease Transaction has been approved by the independent directors of the Company.

“We’ve been pursuing additional premium indoor cultivation to expand our Medizin flower line, including our proprietary strain Chloe. Medizin sells out each harvest days after it hits the SuperStore shelves. This agreement allows us to add 25,000 square feet of indoor cultivation immediately, with the ability to expand up to 45,000 square feet in the future,” said Larry Scheffler, Co-CEO of Planet 13. “We look forward to expanding our supply and offering it in 3rd party dispensaries for the first time.”

“In another example of Planet 13’s patience and ability to execute for our shareholders, we’ve identified an opportunity to assume control of a fully built out indoor cultivation facility at a price that will be accretive,” said Bob Groesbeck, Co-CEO of Planet 13. “Larry and I are paying \$3.3 million of our own money to purchase the land and building, through RX Land, to preserve Planet 13’s cash while offering an ongoing lease well below the rate set by cannabis REITS.”

The Facility has 25,000 square feet under active cultivation with the ability to expand to 45,000 square feet. Effective immediately Planet 13 will assume management of the Facility allowing the Company to plant Medizin strains, including award-winning proprietary strain Chloe.¹

Transaction Details

Pursuant to the Asset Purchase Agreement, Planet 13 shall pay \$1.656 million in cash and shall issue 1,374,833 Consideration Shares to WCDN (which are being held in escrow) on July 17, 2020 (the “**First Closing**”). Planet 13 shall request a license transfer for WCDN’s adult-use and medical cultivation and production licenses from the CCB. On approval of the license transfer, the Consideration Shares will be released from escrow and delivered to WCDN (the “**Second Closing**”). Second close is generally anticipated prior to December 31, 2020, but remains subject to Nevada Cannabis Compliance Board review and approvals and is beyond the control of Issuer.

Planet 13 has simultaneously entered into a management agreement with WCDN starting on the date of the First Closing and ending on the Second Closing to operate the Facility. On the Second Closing, Planet 13 will enter into the Lease Transaction.

Beacon Securities Limited and Northland Capital Markets acted as financial advisor to Planet 13. ‘Northland Capital Markets’ is the trade name for certain capital markets and investment banking services of Northland Securities, Inc., member FINRA/SIPC.

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About Planet 13

Planet 13 (www.planet13holdings.com) is a vertically integrated cannabis company based in Nevada, with award-winning cultivation, production and dispensary operations in Las Vegas - the entertainment capital of the world. Planet 13’s mission is to build a recognizable global brand known for world-class dispensary operations and a creator of innovative cannabis products. Planet 13’s shares trade on the Canadian Stock Exchange (CSE) under the symbol PLTH and OTCQX under the symbol PLNHF.

Cautionary Note Regarding Forward-Looking Information

This news release contains "forward-looking information" and "forward-looking statements" (collectively, "forward-looking statements") within the meaning of the applicable Canadian securities legislation. All statements, other than statements of historical fact, are forward-looking statements and are based on expectations, estimates and projections as at the date of this news release. Any statement that involves

¹ <https://www.leafly.com/strains/chloe>

discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, future events or performance (often but not always using phrases such as "expects", or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "budget", "scheduled", "forecasts", "estimates", "believes" or "intends" or variations of such words and phrases or stating that certain actions, events or results "may" or "could", "would", "might" or "will" be taken to occur or be achieved) are not statements of historical fact and may be forward-looking statements. In this news release, forward looking-statements relate to, among other things, obtaining CCB approval for the license transfers and the entering into of the Lease Transaction.

These forward-looking statements are based on reasonable assumptions and estimates of management of the Company at the time such statements were made. Actual future results may differ materially as forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to materially differ from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors, among other things, include: final regulatory and other approvals or consents; risks associated with COVID-19 and other infectious diseases presenting as major health issues; fluctuations in general macroeconomic conditions; fluctuations in securities markets; expectations regarding the size of the Nevada and California cannabis market and changing consumer habits; the ability of the Company to successfully achieve its business objectives; plans for expansion; political and social uncertainties; inability to obtain adequate insurance to cover risks and hazards; and the presence of laws and regulations that may impose restrictions on cultivation, production, distribution and sale of cannabis and cannabis related products in the State of Nevada and California; and employee relations. Although the forward-looking statements contained in this news release are based upon what management of the Company believes, or believed at the time, to be reasonable assumptions, the Company cannot assure shareholders that actual results will be consistent with such forward-looking statements, as there may be other factors that cause results not to be as anticipated, estimated or intended. Readers should not place undue reliance on the forward-looking statements and information contained in this news release. The Company assumes no obligation to update the forward-looking statements of beliefs, opinions, projections, or other factors, should they change, except as required by law.

The Company is indirectly involved in the manufacture, possession, use, sale and distribution of cannabis in the recreational and medicinal cannabis marketplace in the United States through licensed subsidiary entities in states that have legalized marijuana operations, however, these activities are currently illegal under United States federal law. Additional information regarding this and other risks and uncertainties relating to the Company's business, including COVID-19, are contained under the heading "Risk Factors" and elsewhere in the Company's annual information form dated April 13, 2020 filed on its issuer profile on SEDAR at www.sedar.com.

No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein.