



## **PUF Ventures Inc. & Houweling's Group, form Propagation Services Canada Inc. within a 2.2 million sq. ft. existing facility**

VANCOUVER, June 29, 2018 /CNW/ - PUF Ventures Inc. ("PUF" or the "Company") (CSE: PUF) (Frankfurt: PU3) (OTCPK: PUFXF), an advanced Access to Cannabis for Medical Purposes Regulations ("ACMPR") license applicant, is pleased to announce the formation of Propagation Services Canada Inc. ("PSC") which will provide "flower ready" starter plants to Cannabis Cultivators in Canada and internationally.

PSC was jointly formed with PUF and Casey Houweling ("Houwelings"), a vegetable greenhouse grower with over 40 years of floral and vegetable propagation experience. Houwelings currently operates a large-scale vegetable propagation business in a 20-hectare HA (2.2 million square feet) facility located in Delta, British Columbia.

"Providing flower ready cannabis plants to cultivators is a natural evolution of the cannabis industry, following a similar path as the vegetable growing industry," said Casey Houweling. "We strongly believe that our existing facility in Delta, BC, and our many years of propagation experience and horticultural expertise, creates compelling value to cannabis cultivators. We are fully committed to both sectors and will expand for both as the need arises to supply our valued customer base."

"By forming a partnership with Houweling's Group, PUF will gain access to a large-scale, ready-made project already customized for the highly specialized process of plant propagation, that would otherwise take years and upwards of \$100 million to build," said Derek Ivany, President and CEO of PUF. "In a recent review of opportunities within the Canadian cannabis industry, it became abundantly clear that providing flower ready plants to cannabis cultivators simplifies growing operations while significantly enhancing top line revenue and operating profits. Through PSC, licensed producers can reallocate valuable greenhouse growing area, currently dedicated to mother cannabis plants and propagating clones, to growing flowering plants. Furthermore, propagation operations are complicated and require specialized knowledge and expertise to ensure high quality clones without disease and contaminants. Our starter plants mitigate these challenges and allows cannabis cultivators to focus upon growing and processing flowering plants. The partnership with Houweling's saves PUF valuable time and resources, and allows for an immediate entry into a niche market in the emerging cannabis industry. We look forward to working with Houweling's and the propagation team at the existing facility in Delta, BC."

Under a Letter of Intent signed on May 22, 2018 between PUF and Houwelings, the two parties have agreed to the following:

- A 50/50 joint ownership interest in PSC.
- Under a 15-year facility lease agreement, PSC will initially lease 3.9 HA (419,500 square feet) of Houwelings Delta facility with the right to increase growing area as industry demand increases up to 2.2 million square feet.
- Under a management agreement, Houwelings Propagation staff will manage cannabis propagation operations on behalf of PSC.
- PUF will commit up to \$6 million in a non-interest-bearing capital loan to PSC for upgrades to the Houwelings greenhouse facility to be compliant with Health Canada guidelines and other capital improvements.
- PUF will pay for all license application costs which will be recoverable from future profits of PSC.
- Delivery of first plant orders is anticipated for the first quarter of 2019

PUF is in the process of preparing and finalizing a shareholders' agreement, management agreement and a sublease agreement in relation to the LOI.

The Company will provide further details upon signing the definitive agreement which is currently in motion by both parties.

Internationally, PUF owns a 35 percent stake in Solaris Nutraceuticals, a private company based in Australia which is building a large-scale, hi-tech and ultra-efficient 1.2 million sq. ft. cannabis greenhouse in New South Wales, Australia. Casey Houweling is a consultant to the Solaris project.

#### **About Propagation Services Canada Inc.**

Propagation Services Canada is a joint venture company focused on the cannabis propagation market in Canada. Its Delta facility is one of the most technologically advanced greenhouses in North America, with full propagation services, experienced staff and 18 MW of power in place. For more information on the greenhouse and company please visit [www.propcan.ca](http://www.propcan.ca)

#### **About PUF Ventures Inc.**

PUF Ventures Inc. is a growth oriented and diversified company focused on the international cannabis industry. It has ownership in several cannabis companies: AAA Heidelberg, Solaris Nutraceuticals Pty Ltd., and Natures Hemp Corp., and is actively pursuing other opportunities within the industry. PUF has an option to purchase 100% of AAA Heidelberg Inc., an advanced applicant for an ACMPR license. Solaris Nutraceuticals is building the largest medical cannabis greenhouse in the Southern Hemisphere. For more information please visit: [www.puf.ca](http://www.puf.ca).

#### **ON BEHALF OF THE BOARD OF DIRECTORS**

Derek Ivany  
President & CEO

No stock exchange or securities regulatory authority has reviewed or accepted responsibility for the adequacy or accuracy of this release.

Some of the statements contained in this release are forward-looking statements, such as estimates and statements that describe the Issuer's future, objectives or goals, including words to the effect that the Issuer or management expects a stated condition or result to occur. Since forward-looking statements address future events and conditions, by their very nature, they involve inherent risks and uncertainties.

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