

City View Green Holdings Inc. Closes Asset Purchase and First Tranche of Non-Brokered Private Placement

Toronto, Ontario--(Newsfile Corp. - April 30, 2020) - City View Green Holdings Inc. ("**City View**" or the "**Company**"), trading through the facilities of the Canadian Securities Exchange ("**CSE**") under the symbol "CVGR" and on the OTCQB[®] under the symbol "CVGRF", and further to the press releases dated February 26, 2020 and April 21, 2020, is pleased to announce that it has closed its previously announced asset purchase transaction (the "**Transaction**") with Infusion Works Inc. ("**Infusion**").

Infusion is a consumer goods food company with the goal of leading in the development of cannabis-infused brands in several food categories. The company utilizes high-quality automated manufacturing practices from the food industry, resulting in low cost production of high-quality, consistent food products. To create these high-quality cannabis-infused food products, the company has invested significantly in food research and development as it relates to cannabis-infused foods. In addition, the company is developing its "white label" co-manufacturing and co-packing services to a growing list of current producers who are licensed by Health Canada to cultivate and/or produce cannabis and cannabis-related goods. These services include co-manufacturing of cannabis-infused baked goods, chocolate and sugar confectionery, hemp-based CBD pet snacks and co-packing of dried cannabis and pre-rolls, vapes, concentrates and extraction capabilities.

The strategy for the advancement of City View after the Transaction will be to rapidly integrate the two companies and aggressively pursue the unified City View/Infusion business plan.

Pursuant to the Transaction, the Company has acquired equipment for the production of cannabis-infused food products including certain intellectual property related to the production thereof. In addition, Infusion shall pay a deposit of CAD\$439,238 (the "**Deposit**") to the Company to be used towards the purchase of certain new food manufacturing equipment and shall assign to City View the economic benefit of all existing contracts and future contracts or the contracts themselves at the time the Company receives the Licence (as defined hereinbelow).

In consideration, the Company will issue to Infusion an aggregate of 46,462,114 common shares ("**Shares**") in the capital of the Company ("**Consideration Shares**") issuable in three tranches, subject to an adjustment (the "**Adjustment**"). The first tranche (the "**First Tranche**") was issued on April 30, 2020 and consisted of 9,042,422 Shares. The second tranche (the "**Second Tranche**") shall be issued upon receipt of the Company of the Deposit, which is expected to occur not later than June 30, 2020 and shall consist of 13,938,635 Shares. The third and final tranche (the "**Third Tranche**") shall be issued upon the receipt by the Company of a Health Canada licence under the Cannabis Act (the "**Licence**") and shall consist of 23,231,057 Shares. Pursuant to the Adjustment, at the time of the Third Tranche, the Company will issue to Infusion such number of Shares equal to 19.99% of the amount by which the issued and outstanding number of Shares on the date of issuance of the Third Tranche Shares exceeds the sum of 232,926,785 and the number of Shares issued under the Offering (as defined hereinbelow). Moreover, the Company and Infusion have entered into a profit sharing agreement pursuant to which the Company shall pay to Infusion 10% of its EBIT for a period of three (3) years commencing on the date of receipt of the Licence, payable in Shares at a price equal to the fifteen (15) day volume weighted average price of the Shares on the CSE prior to the applicable period.

In connection with the Transaction, the Company and Infusion have each paid to a finder a finder fee of 500,000 Shares, for a total of 1,000,000 Shares (the "**Finder Shares**"), for introducing the Company and Infusion and facilitating the Transaction, issuable in two equal tranches. The first tranche of Finder Shares was paid on April 30, 2020 and the second tranche of Finder Shares shall be paid at the time of the Third Tranche.

As previously announced on April 21, 2020, in connection with Closing, Mr. Don Robinson has been appointed as a director of City View. Upon receipt of the Licence, it is anticipated that Mr. Karl Wirtz will be appointed as a director of City View.

Rob Fia, CEO & President Commented: "We are excited to report the closing with Infusion Works Inc. and the addition of a solid management team. We expect to move things forward quickly to become a leading cannabis-infused food company and to report back to investors in the near future as we progress with our build out and licensing."

The Consideration Shares, the Finder Shares, and the Shares issuable under the Adjustment (collectively, the "**Transaction Shares**") are subject to a four month and one day hold period in accordance with applicable securities laws and the policies of the Canadian Securities Exchange (the "**CSE**"). All Transaction Shares are subject to an escrow agreement pursuant to which 1/8 of all such Transaction Shares shall be released from escrow every three months, for a total term of two years. In addition, Infusion has entered into a lock-up agreement in respect of the Consideration Shares and Adjustments Shares, for a twelve-month period. The Completion of the transaction is subject to the receipt of all regulatory approvals.

Financing

City View has also completed a first tranche closing of its previously announced non-brokered private placement (the "**Offering**"), pursuant to which it has sold and issued 10,600,000 units ("**Units**") in the capital of the Company at a price of \$0.05 per Unit for aggregate gross proceeds of \$530,000. Each Unit is composed of one Share and one Share purchase Warrant ("**Warrant**"). Each Warrant shall entitle the holder to purchase one Share at a price of \$0.05 per Warrant for a period of three (3) years from the date of issuance, subject to an acceleration provision whereby, after one year from their date of issuance, if the closing price of the Shares on the CSE is equal to or exceeds \$0.15 for a period of ten (10) consecutive trading days, then the Company may, at its option, accelerate the expiry date of the Warrants to the date which is thirty (30) days following the date

upon which notice of the accelerated expiry date is provided by the Company to the holders of the Warrants.

City View intends to use the proceeds from the Offering for general working capital purposes. All securities issued or issuable pursuant to the Offering are subject to a hold period of four months and one day in accordance with applicable securities laws and the policies of the CSE. Completion of the Offering is subject to the receipt of all regulatory approvals.

Related Party Transaction

Rob Fia is an executive officer and a director of the Company and Tim Peterson is a director and the chairman of the board of the Company, and they are acquiring 1,000,000 Units and 600,000 Units, respectively, under the Offering. These are "related party transactions" as such term is defined by Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transaction ("**MI 61-101**"), requiring the Company, in the absence of exemptions, to obtain a formal valuation for, and minority shareholder approval of, the "related party transaction". The Company is relying on an exemption from the formal valuation and minority shareholder approval requirements set out in MI 61-10 as the fair market value of the participation in the Private Placement by Messrs. Fia and Peterson do not exceed 25% of the market capitalization of the Company, as determined in accordance with MI 61-101.

Early Warning Report

In addition, this press release is being issued in connection with the filing of early warning reports (the "**Early Warning Report**") pursuant to the requirements of National Instrument 62-103 - The Early Warning System and Related Take-Over Bid and Insider Reporting Issues regarding the change in the ownership and control of Shares of City View by Infusion. City View's head office address is located at #132-1173 Dundas St. East, Toronto, ON M4M 3P1.

On April 30, 2019, the Company completed the Transaction, pursuant to which Infusion shall be entitled to beneficial ownership or control over 46,462,114 Shares in addition to the Shares issued pursuant to the Adjustment, which shall be determined at the time of the Third Tranche (the "**Acquisition**"). Prior to the Closing Date, Infusion owned or exercised control or direction over nil Shares and following the Acquisition of the Third Tranche, Infusion beneficially shall own or exercise control or direction over 45,962,114 Shares, representing approximately 18.87% of the issued and outstanding Shares on both an undiluted and diluted basis, assuming no further Shares are issued under the Offering or otherwise.

A copy of the early warning report for Infusion will be filed on the Company's profile on SEDAR at www.sedar.com.

About City View

City View Green is a leading cannabis-infused food company focused on the development of food brands, extraction and distribution. Upon the anticipated receipt of its *Cannabis Act* processing and sales licences ("**Cannabis Licences**"), City View will incorporate cannabis-infused food production and extraction at its Brantford, Ontario facility. Once operational, it is our expectation that City View will produce high quality cannabis-infused food, oils, distillates, and water-soluble products for the food and beverage markets. In addition, City View owns a 19.9% stake in Budd Hutt Inc. ("**Budd Hutt**"), a retail-focused cannabis company with access to cannabis cultivation and production licences in Alberta and other retail opportunities across Canada. Through its relationship with Budd Hutt, the Company anticipates securing shelf space, product placement, and distribution opportunities for City View's products. For more information visit www.cityviewgreen.ca.

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Disclaimer for Forward-Looking Information

This press release contains forward-looking statements regarding a definitive agreement with Infusion Works including future revenue and cash flow, deposits, the Transaction, the Offering, receipt of the Licence, and build-out of the Brantford Facility that are based on the beliefs of management and reflect the Company's current expectations. By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or other future events, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. There are a number of important factors that could cause the Company's actual results to differ materially from those indicated or implied by forward-looking statements and information. When relying on the Company's forward-looking statements and information to make decisions, investors and

others should carefully consider the foregoing factors and other uncertainties and potential events.

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