

Thursday, October 18, 2018

NEWS RELEASE**HERITAGE CANNABIS HOLDINGS CORP. ANNOUNCES \$7.5 MILLION BEST EFFORTS FINANCING***Not for distribution to United States newswire services or for dissemination in the United States*

Vancouver, British Columbia, Canada, October 18, 2018 – Heritage Cannabis Holdings Corp. (CSE:CANN) (“Heritage” or the “Company”) is pleased to announce that it has entered into an agreement with Cormark Securities Inc. (“Cormark”), pursuant to which Cormark has agreed, on a best efforts private placement basis, to offer for sale up to 30,000,000 special warrants (the “Special Warrants”) of the Company at a price of \$0.25 per Special Warrant for aggregate gross proceeds of up to approximately \$7.5 million (the “Offering”).

Each Special Warrant shall entitle the holder thereof to receive one unit of the Company (a “Unit”). Each Unit will be comprised of one common share (a “Common Share”) and one Common Share purchase warrant (a “Warrant”). Each Warrant will entitle the holder to acquire one Common Share at a price of \$0.35 on a date that is the earlier of (i) 30 months following the Closing Date (as defined below) and (ii) the date specified in any Warrant Acceleration Notice (as defined below).

The Company has also granted Cormark an option to purchase up to an additional 15% of the Special Warrants sold under the Offering and shall be exercisable, in whole or in part, until the time of closing on the Closing Date (as defined below)

Each Special Warrant will be automatically exercised, without payment of additional consideration, on the earlier of: (i) the Qualification Deadline (as defined below); and (ii) the third business day after the Prospectus Qualification (as defined below).

The Company has agreed to use its best efforts to obtain a receipt for a final short form prospectus qualifying the distribution of the Common Shares and Warrants to be issued upon exercise or deemed exercise of the Special Warrants respectively (together, the "Prospectus Qualification") on or before the date that is 60 days following closing of the Offering (the "Qualification Deadline"). If the Prospectus Qualification does not occur before the Qualification Deadline, each holder shall be entitled to receive, without payment of additional consideration, 1.10 Units per Special Warrant.

If, at any time, the volume-weighted average trading price of the common shares of the Company is equal to or greater than \$0.50 for any 20 consecutive trading day period, the Company may provide written notice (a “Warrant Acceleration Notice”) that the expiry time of

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the Warrants shall be accelerated to the date which is 30 days after the date of such Warrant Acceleration Notice, subject to CSE approval.

The net proceeds of the Offering will be used to fund internal grow capacity expansion, increase extraction capabilities, and for other general corporate purposes.

The offering is scheduled to close on Nov. 6, 2018, or such other date as mutually agreed upon by Cormark and the company.

The Closing Date is subject to certain customary conditions including, but not limited to, the receipt of all necessary approvals, including the approval of the CSE and the applicable securities regulatory authorities.

This news release does not constitute an offer to sell or a solicitation of an offer to sell any of securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws and may not be offered or sold within the United States or to or for the account or benefit of U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

About Heritage Cannabis Holdings Corp.

The Company is currently listed as a marijuana issuer having a 75% interest in PhyeinMed Inc, a Health Canada license holder under the ACMPR (Access to Cannabis for Medical Purposes Regulations). It is a Parent and Development Company with strategic plans to continue to acquire Cannabis related companies.

ON BEHALF OF THE BOARD OF DIRECTORS OF HERITAGE CANNABIS HOLDINGS CORPORATION

"Clint Sharples"

Clint Sharples
Chairman and interim CEO

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The Canadian Stock Exchange does not accept responsibility for the adequacy or accuracy of this release.

This news release contains forward-looking information, which involves known and unknown risks, uncertainties and other factors that may cause actual events to differ materially from current expectation. Important factors - including the availability of funds, the results of



financing efforts, the results of exploration activities -- that could cause actual results to differ materially from the Company's expectations are disclosed in the Company's documents filed from time to time on SEDAR (see www.sedar.com). Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this press release. The company disclaims any intention or obligation, except to the extent required by law, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

