

CBI(2) Capital and 51st Parallel announce the creation of LivWell International and a strategic equity investment in GCH, Inc., securing the exclusive Canadian licensing rights to WILLIE'S RESERVE™

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CALGARY, July 23, 2018 /CNW/ - Target Capital Inc. d.b.a. CBI² Capital ("**CBI²**") (TSXV/CSE: TCI) and 51st Parallel Inc. ("**51st Parallel**") are pleased to announce a series of transformational transactions that will ultimately result in the creation of LivWell International Corp. ("**LivWell International**") through a business combination involving CBI² and 51st Parallel. LivWell International will be a CSE and TSXV-listed, Calgary-based, vertically integrated cannabis company focused on cultivation, processing and extraction, retail operations, and the execution of an aggressive cannabis-brand acquisition, licensing and development strategy.

Concurrent with the creation of LivWell International, the following transactions are expected to be completed:

- (i) a strategic US\$20.0 million equity investment by 51st Parallel in GCH, Inc. ("GCH") a Denver-based cannabis brand holding company;
- (ii) the acquisition by 51st Parallel of the exclusive Canadian licensing rights to GCH's flagship brands, WILLIE'S RESERVE™ and WILLIE'S REMEDY™, along with the first option to GCH's future brand portfolio for no additional consideration other than as already contemplated by the agreements between GCH and 51st Parallel (the "GCH Transaction"); and
- (iii) a concurrent \$50.0 million subscription receipt financing in 51st Parallel.

LivWell International will be led by the existing management team of LivWell Enlightened Health™ ("**LivWell**"): John Lord (Chairman and CEO), Dean Heizer (Executive Director), Michael Lord (Chief Operating Officer), Todd Oltmans (Manager of Construction and Facilities), Nate Fate (Manager of Cultivation and Production) and Dakeana Jones (Manager of Human Resources). Joining LivWell's team will be David Cheadle as LivWell International's VP Finance and Chief Financial Officer and Sony Gill as Corporate Secretary. Upon completion of the business combination involving CBI² and 51st Parallel, LivWell International's board of directors will be comprised of the following professionals: John Lord, Dean Heizer, Andy Williams (Co-founder and Chairman of Medicine Man Technologies Inc.), Jason Kujath (Co-founder and President of 51st Parallel) and Ron Hozjan (VP Finance and CFO of Tamarack Valley Energy Ltd.).

In connection with the GCH Transaction, Sonny Mottahed, Chairman, President and CEO of CBI² and CEO and a director of 51st Parallel, will join the board of directors of GCH.

Key Attributes of LivWell International:

- one of the industry's most complete and highly accomplished cannabis teams with over ten years of operating experience from *seed-to-sale* including cultivation, extraction, edibles production, vaporizer production, branding, retail operations and extensive R&D;
- exclusive and perpetual Canadian licensing rights to LivWell's extensive portfolio of existing and future intellectual property ("**IP**"), patents, standard operating procedures ("**SOPs**"), proprietary tissue culture program, extraction technologies, and a library of over 175 extracted and infused products and trademarks, which include Infusiasm™, #Hash™, 5 Leaf™ and Faded™;
- direct equity ownership in GCH, the owner of the WILLIE'S RESERVE™ brand, one of the industry's most recognizable brands;

- exclusive and perpetual Canadian licensing rights to GCH's existing brands, including WILLIE'S RESERVE™ and its recently launched, CBD-focused WILLIE'S REMEDY™ brand, and a first option on all future GCH brands for no additional consideration other than as already contemplated by the agreements between GCH and 51st Parallel;
- aggressive brand acquisition and licensing strategy and expanded retail footprint; and
- fully-funded business plan with expected annual cultivation capacity of ~32,000 kg of dried flower and annual extraction capacity of ~10,000 kg, as well as a broad retail footprint consisting of eight applied-for locations throughout Alberta and two high profile locations identified in British Columbia.

Strategic Rationale for the Plan of Arrangement and Related Transactions

Management and the board of directors of each of CBI² and 51st Parallel believe their respective shareholders will benefit from the following attributes of the Transaction (as defined below):

- a platform to leverage LivWell's successful operating experience in Colorado and apply it to the Canadian and international markets;
- access to a best-in-class operating team that currently oversees over 180,000 ft² of cannabis facilities, 15 retail stores and over 500 employees;
- the potential to create significant shareholder value through the combination of 51st Parallel's existing cultivation and retail assets with one of the industry's most recognized brands in Willie's Reserve™ and the proven leadership team of LivWell; and
- the ability to quickly build operational scale and develop, license and/or acquire additional brands.

Sonny Mottahed, Chairman, President and CEO of CBI² and CEO and a director of 51st Parallel, said: "This is a highly transformative transaction for our company and our shareholders. The LivWell team is recognized as the most accomplished operator in the global cannabis industry, bringing the experience and knowledge needed to position LivWell International to compete with other industry leaders. The investment into GCH, the owner of Willie's Reserve™, represents the beginning of a broader brand strategy to augment our existing retail and distribution plans. In the coming years, we expect the cannabis industry to function in a manner consistent with the consumer packaged goods space in which premier brands will be positioned to dominate consumer market spend."

John Lord, Chairman and CEO of LivWell, said: "We are excited about this transaction with CBI² and 51st Parallel. The upcoming federal legalization of the Canadian cannabis market provides a unique opportunity to leverage our ten years of operational expertise and expand the full suite of LivWell brands across Canada and internationally. We look forward to creating a successful, high-growth business and delivering value for both our customers and shareholders."

Plan of Arrangement and Related Transactions Summary

Formation of LivWell International

CBI² and 51st Parallel have executed an arrangement agreement dated as of July 23, 2018 (the "**Arrangement Agreement**") whereby CBI² and 51st Parallel will complete a business combination pursuant to a plan of arrangement (the "**Plan of Arrangement**") under the *Business Corporations Act* (Alberta) (the "**Transaction**"). The Transaction is not a related party transaction.

Pursuant to the Transaction, each common share of 51st Parallel ("**51st Parallel Share**") will be exchanged for common shares of CBI² ("**CBI² Shares**") on the basis of a deemed value of \$0.11 per CBI² Share and CBI² and 51st Parallel will be amalgamated to form LivWell International. The Transaction is expected to constitute a "Reverse Takeover" pursuant to the policies of the TSX Venture Exchange (the "**TSXV**") and the Canadian Securities Exchange (the "**CSE**") and is subject to

the acceptance of the TSXV, the CSE and shareholders of CBI² and 51st Parallel. CBI² is not at arms' length to 51st Parallel.

Strategic Equity Investment in GCH

In addition, 51st Parallel is pleased to announce the execution of an investment agreement (the "**Investment Agreement**") with GCH, a cannabis brand holding company founded with Willie Nelson to develop a portfolio of cannabis brands to meet the wide range of consumer preferences. Pursuant to the Investment Agreement, 51st Parallel will invest US\$20.0 million into GCH and will own approximately 12.4% of GCH on a fully diluted basis.

At closing of the Transaction, 51st Parallel and GCH will enter into: (i) an investor rights agreement pursuant to which, among other things, LivWell International will have the right to nominate a director to the board of GCH, who will initially be Sonny Mottahed; and (ii) an exclusive use agreement pursuant to which, among other things, LivWell International will have exclusive and perpetual rights to all existing brands and products of GCH in Canada, including WILLIE'S RESERVE™ and WILLIE'S REMEDY™, and a first option on all further brands and products of GCH for no additional consideration other than as already contemplated by the agreements between GCH and 51st Parallel. GCH is at arms' length to 51st Parallel, CBI² and LivWell.

WILLIE'S RESERVE™ is a line of cannabis products inspired by American music legend and long-time marijuana advocate Willie Nelson. Launched in 2016, WILLIE'S RESERVE™ is available in Colorado, Washington, Nevada, Oregon and California. Operating under the simple philosophy of "my stash is your stash," WILLIE'S RESERVE™ maintains the highest quality through partnerships with licensed producers to create a variety of strains, signature Ready Rolls, concentrates and edibles. GCH has also recently launched its flagship CBD product line, WILLIE'S REMEDY™, that provides customers with numerous non-psychoactive benefits of cannabis. GCH owns the exclusive rights, and in perpetuity, to the use of Willie Nelson's brand for the cannabis industry.

Sonny Mottahed, GCH Board Nominee (Calgary, Alberta, Canada)

Sonny is the co-founder, Chief Executive Officer and a director of 51st Parallel and the Chairman, President and CEO of CBI². Sonny brings significant senior leadership and financial expertise to the Canadian cannabis market. Sonny is currently the Chief Executive Officer and Managing Partner of Black Spruce Merchant Capital, a corporate finance advisory firm based in Calgary. Prior thereto, he was the Managing Director, Investment Banking at Raymond James Ltd. in Calgary where he was instrumental in raising \$4.0 billion in capital over 4 years.

Exclusive License with LivWell

In addition, 51st Parallel is pleased to announce a license with LivWell which will provide LivWell International with exclusive access to, and the perpetual right to use, LivWell's existing and future IP, patents, trademarks, proprietary tissue culture program, extraction technologies, library of extracted and infused products and SOPs in Canada.

51st Parallel Subscription Receipt Financing

In conjunction with the closing of the Transaction, 51st Parallel has entered into an agreement with a syndicate of investment dealers (the "**Agents**") led by Eight Capital and including Cormark Securities Inc., Canaccord Genuity Corp., AltaCorp Capital Inc. and Atlas Capital (which are each a "member" within the meaning of the policies of the TSXV, other than Atlas Capital), for a brokered private placement offering of subscription receipts of 51st Parallel (the "**Initial Subscription Receipts**") at an issue price (the "**Issue Price**") to be determined in the context of the market on a best efforts agency basis for aggregate gross proceeds of up to \$50.0 million (the "**Financing**"). The Financing is expected to close on or about August 21, 2018. Each Initial Subscription Receipt will be

exchangeable into one 51st Parallel Share without any further action required on the part of the holder of the Initial Subscription Receipt and without payment of any additional consideration, upon the closing of the Transaction. The terms of the Financing are outlined below under the heading "*Brokered Subscription Receipt Financing*".

LivWell International Highlights

Corporate Strategy

Following completion of the Transaction, and upon receipt of the requisite licenses to produce and distribute cannabis, LivWell International will be a CSE and TSXV-listed, Calgary-based, vertically integrated cannabis company focused on cultivation, processing and extraction, and retail operations supported by executing on an aggressive cannabis brand acquisition, licensing and development strategy.

The following table provides an overview of LivWell International's strategy:

Brands	Build a portfolio of iconic brands both organically and through acquisitions in order to target specific consumer demographics and user preferences
Retail	8 retail licenses submitted in Alberta with an additional 4 in development with the potential to increase to 50+ and expand into other jurisdictions
Cultivation	LP applicant with 12,200 kg/year of initial production capacity on-stream with expansion potential of 32,000 kg/year
Extraction	Phase I 13,000 ft ² extraction facility with monthly processing capacity of 500 kg of feedstock, with potential to expand to 800 kg
R&D	Future initiative upon receiving a license

The Transaction is expected to ignite an aggressive expansion strategy for LivWell International with the company focused on the following key growth initiatives:

- increase the retail footprint in targeted jurisdictions across Canada;
- build a portfolio of iconic brands both organically and through acquisitions;
- maintain top-tier industry KPIs that are consistent with LivWell's historical performance;
- focus on continuous product innovation including extraction and refined products;
- complete strategic acquisitions over the entire cannabis vertical;
- evaluate the potential of expanding operations globally into key jurisdictions;
- commit to creating a culture that is focused on the customer's experience and value; and
- devote significant resources to continued employee education.

Information with respect to LivWell International's work program and assets will be included in the management information circular to be filed on SEDAR in connection with the Transaction at www.sedar.com.

Background on LivWell

LivWell International's management team has extensive cannabis experience given its track record of running and growing LivWell. Based in Denver, Colorado, and beginning as a single medical dispensary in 2009, LivWell is a fully vertically-integrated cannabis producer, refiner and retailer. LivWell is one of Colorado's largest retail chains, operates a highly specialized 180,000 ft² cannabis production facility and a satellite 30,000 ft² R&D facility and currently employs over 500 people in its cultivation, production and retail operations. LivWell also operates 14 retail locations in Colorado and a retail dispensary in Oregon and is in the process of constructing a 192,000 ft² production and extraction facility in Michigan.

LivWell provides its patients and customers with the best value, quality and variety of cannabis products including flower, concentrates, topicals, edibles, accessories and more. Using a team of innovative farmers and scientists, LivWell grows more than 40 strains of cannabis to meet the evolving tastes of its customers and is constantly developing new strains for commercial production. It has developed a significant portfolio of IP, trademarks, patent applications and SOPs spanning the entire cannabis vertical, complete from *seed-to-sale* including:

- proprietary tissue culture program, spectrums of LED light, nutrient recipes, cure processes, and automated manufacturing and packaging systems;
- proprietary extraction technologies including terpenes reclamation and re-introduction as well as cannabinoid separation;
- library of over 175 proprietary extracted and infused products;
- detailed SOPs and operating procedures covering every aspect of cultivation, extraction, retail, security and compliance;
- numerous trademarks on branded consumer products including Infusiasm™ for infused products, #Hash™ for concentrates, 5 Leaf™ for topicals and Faded™ for branded merchandise and accessories;
- proprietary training platform called LivWell University™;
- turnkey retail platform with an integrated point of sale and inventory management system; and
- over ten years' worth of data and insight on consumer behavioural trends and purchase habits.

LivWell has been consistently ranked as one of the top producers, processors and retailers by Cannabis Business Executive and it has received numerous other industry awards and accolades. It carries a wide variety of products from leading brands throughout the industry, as well as a full selection of glass and accessories to meet all of its customers' cannabis needs. LivWell's goal is to be its customers' one-stop-shop for all things cannabis.

The Transaction does not include a business combination with LivWell, which will remain as a standalone entity subsequent to the Transaction.

LivWell International Management Team

Subject to, and following the closing of, the Transaction, the senior officers of LivWell International are expected to be the following individuals:

John Lord, Chairman and Chief Executive Officer (Denver, Colorado, USA)

John is the CEO and sole shareholder of LivWell. John Lord is a successful entrepreneur who has founded, built and sold several consumer products companies. Prior to LivWell, John created a successful baby products company which sold products into major retailers, including Walmart. After selling the company in 2008 to Summer Infant (NASDAQ SUMR), John was drawn to the cannabis industry by the opportunity to apply his business acumen to a fledgling industry. John has positioned LivWell at the forefront of the industry, blending cannabis culture with solid business principles.

David Cheadle, VP Finance and Chief Financial Officer (Calgary, Alberta, Canada)

David was previously the CFO and a founding shareholder of 51st Parallel and has over 10 years of investment banking experience. Prior to 51st Parallel, David was a Managing Partner at a boutique M&A advisory firm as well as Vice President, Investment Banking at two other boutique investment banks. David is a CFA charterholder and holds a B. Comm. (Honours) in Finance from the University of Manitoba.

Michael Lord, Chief Operating Officer (Denver, Colorado, USA)

Michael is currently Director of Business Development for LivWell where he focuses on acquisitions and developing new technologies and methodologies for the company. He is currently on the Advisory Board of 51st Parallel, and previously served on the advisory boards of Leafly.com and Leafbuyer.com. Michael has been actively involved in the production and retail operations of LivWell for over five years. He led the acquisition and design team for a number of LivWell's Colorado locations and created the company's industry leading educational platform (LivWell University™) as well as an online sales training tool being deployed to LivWell's vendors (Learn Brands™). He graduated from the Monfort College of Business.

Sanjib (Sony) Gill, Corporate Secretary (Calgary, Alberta, Canada)

Sony is a partner at McCarthy Tétrault LLP, a national law firm. Sony has dealt with all aspects of a

public and private company's creation, growth, restructuring and value maximization. Sony has extensive experience in the negotiation, structuring and consummation of a broad range of corporate finance, securities and mergers and acquisitions. He serves on the board of directors of, and acts as corporate secretary to, numerous public and private companies. He was acknowledged as a Top 40 Under 40 by Lexpert.

LivWell International Board of Directors

Subject to, and following the closing of, the Transaction, the board of directors of LivWell International is expected to include John Lord and the following independent directors:

Dean Heizer, Executive Director (Denver, Colorado, USA)

Dean is currently Executive Director and Chief Legal Strategist for LivWell. Dean began his career at Gorsuch Kirgis, LLP one of Denver's largest law firms, where he spent 13 years before co-founding Heizer Paul LLP, in 2004. Dean has extensive government relations, regulatory and litigation experience representing Fortune 500 companies, governments, trade associations and some of Colorado's largest foundations. Dean has represented the LivWell group of companies since inception and took an in-house role in January 2015.

Andy Williams, Director (Denver, Colorado, USA)

Andy is the Co-Founder and Chairman of the Board of Medicine Man Technologies Inc. and CEO of Medicine Man in Colorado. Andy is a veteran of the US Army and served three years as a Cavalry Scout in the 3rd Infantry Division and went on to earn a Bachelor of Science degree in Industrial Engineering from the University of Southern Colorado in Pueblo, CO. Andy has worked in a wide range of manufacturing industries as an industrial engineer, and in leadership positions.

Jason Kujath, Director (Calgary, Alberta, Canada)

Jason is the co-founder of 51st and is responsible for guiding it through the process of applying to Health Canada for a license to produce/distribute. Jason was also a member of the Alberta-based task force dedicated to providing stakeholder input to the provincial government on the legalization of cannabis. Prior to 51st, Jason was a tax lawyer with Dentons LLP. Jason holds a B.Com from Athabasca University, Juris Doctor from the University of Windsor, LLM from Osgoode Hall Law School and an MBA from Cornell University's Johnson School of Management.

Ron Hozjan, Director (Calgary, Alberta, Canada)

Ron Hozjan has been VP Finance & CFO of Tamarack Valley Energy Ltd. since its inception. Ron is a CPA with over 25 years of oil and gas experience and over 15 years of experience as a senior financial officer. Ron is also a director of Aldershot Resources Ltd. which is transitioning to Solo Growth Corp.™, a premiere retail cannabis distributor in Western Canada. Prior to Tamarack and Solo Growth, Ron served as the CFO of Vaquero Resources Ltd. which was acquired by RMP Energy Ltd. Prior thereto, Ron was the Vice President Finance and CFO at a predecessor firm, Vaquero Energy Ltd., which grew successfully before merging with Highpine Oil & Gas Limited. Previously, Ron held various senior finance positions at Storm Energy and Renaissance Energy.

Financial Information

The table below presents selected financial information for 51st Parallel on a consolidated basis. Neither 51st Parallel nor its wholly-owned subsidiaries, 51st Parallel Life Sciences Ltd. and Pineapple Shop Inc., have conducted active operations since their incorporation.

	Three Month period ended March 31, 2018 ⁽¹⁾ (in thousands of CDN Dollars)	Year ended December 31, 2017 ⁽²⁾ (in thousands of CDN Dollars)
Revenues	-	-
Expenses	\$401	-
Net Loss	\$401	-
Total Assets	\$18,708	\$20,013

Total Liabilities	\$87	\$88
Total Shareholders' Equity	\$19,021	\$19,925

Notes:

- (1) Based on the unaudited consolidated financial statements prepared in respect of 51st Parallel for the three month period ended March 31, 2018.
(2) Based on the unaudited consolidated financial statements prepared in respect of 51st Parallel for the year ended December 31, 2017.

The table below presents selected financial information for GCH on a consolidated basis for the year ended December 31, 2017 and for the three month period ended March 31, 2018.

	Three Month period ended March 31, 2018 ⁽¹⁾ (in thousands of U.S. Dollars)	Year ended December 31, 2017 ⁽²⁾ (in thousands of U.S. Dollars)
Revenues	\$1,067	\$3,449
Expenses	\$3,254	\$11,977
Net Loss	\$2,187	\$8,528
Total Assets	\$10,855	\$12,302
Total Liabilities	\$13,929	\$13,193
Total Shareholders' Deficit	\$3,074	\$891

Notes:

- (1) Based on the unaudited consolidated financial statements prepared in respect of GCH for the three month period ended March 31, 2018.
(2) Based on the unaudited consolidated financial statements prepared in respect of GCH for the year ended December 31, 2017.

Information with respect to the financial statements of 51st Parallel and GCH will be included in the management information circular to be filed on SEDAR in connection with the Transaction at www.sedar.com, together with pro forma financial statements of CBI² giving effect to the Transaction.

Brokered Subscription Receipt Financing

In conjunction with the closing of the Transaction, 51st Parallel has entered into an agreement with the Agents, for a brokered private placement offering of Initial Subscription Receipts on a best efforts agency basis at the Issue Price for aggregate gross proceeds of up to \$50.0 million. The Financing is expected to close on or about August 21, 2018. Each Initial Subscription Receipt will be exchangeable into one 51st Parallel Share without any further action required on the part of the holder of the Initial Subscription Receipt and without payment of any additional consideration, upon the closing of the Transaction.

The gross proceeds from the Financing will be held in escrow pending the completion of the Transaction, which is expected to close on or around September 28, 2018. If all conditions to the completion of the Transaction (other than funding) are satisfied on or before October 31, 2018, the net proceeds from the sale of the Initial Subscription Receipts will be released from escrow to 51st Parallel and each Initial Subscription Receipt will be exchanged for one 51st Parallel Share. If the Transaction is not completed on or before October 31, 2018, or is terminated at an earlier time, then the purchase price for the Initial Subscription Receipts will be returned to subscribers, together with a pro rata portion of interest earned on the escrowed funds, if any.

The Agents will be entitled to receive from 51st Parallel a cash commission equal to 6% of the gross proceeds of the Financing upon the release to 51st Parallel of the escrowed funds on the closing date of the Transaction. The Agents have the option to purchase additional Initial Subscription Receipts, exercisable in whole or in part at the Issue Price, at any time up to 48 hours prior to closing of the Transaction, for additional aggregate gross proceeds of up to \$7.5 million.

The net proceeds of the Financing will be used to fund the GCH Transaction, 51st Parallel's operations and for work capital and general corporate purposes. Completion of the Financing is a condition precedent to the completion of the Transaction. In the event 51st Parallel is unable to

complete the Financing on satisfactory terms, 51st Parallel and CBI² will be unable to complete the Transaction.

CBI² and 51st Parallel intend to issue a press release disclosing further information about the Financing once such information is available.

Transaction Details

Pursuant to the Transaction:

- (i) subject to the terms of the Arrangement Agreement, each holder of 51st Parallel Shares shall be deemed to have exchanged such 51st Parallel Shares (including those issued upon the exchange of Initial Subscription Receipts) for CBI² Shares on the basis of a deemed value of \$0.11 per CBI² Share and shall receive CBI² Shares for each 51st Parallel Share held by such shareholder;
- (ii) all of 51st Parallel's outstanding common share purchase warrants, performance warrants and share options shall be adjusted in accordance with paragraph (i) above;
- (iii) 51st Parallel and CBI² will amalgamate and continue as one corporation operating in the life sciences industry segment under the name LivWell International Corp.;
- (iv) all of the outstanding common share purchase warrants of LivWell International will be listed on the TSXV and the CSE; and
- (v) the GCH Transaction shall be completed.

Completion of the Transaction is subject to the satisfaction of a number of conditions, including, but not limited to: (i) completion of the Financing; (ii) the CBI² Approvals (as defined below) have not been withdrawn, amended, changed or otherwise qualified; (iii) the 51st Parallel Approvals (as defined below) have not been withdrawn, amended, changed or otherwise qualified; (iv) receipt of Court approval of the Transaction; (v) satisfaction or waiver of all of the conditions to the closing of the GCH Transaction, other than those which shall be satisfied under the Plan of Arrangement; (vi) receipt of TSXV and CSE conditional approval for the Transaction and the issuance of CBI² Shares pursuant to the Transaction; and (vii) receipt of all regulatory, governmental and third party approvals required prior to completion.

Sonny Mottahed, President, Chief Executive Officer and Chairman of CBI², is also Chief Executive Officer and a director of 51st Parallel. Mr. Mottahed abstained from voting at the directors meetings of CBI² and 51st Parallel regarding the Transaction. Jason Kujath, Corporate Counsel of CBI², is also President, Chief Operating Officer and a director of 51st Parallel. David Cheadle, Chief Financial Officer of CBI², is also Chief Financial Officer of 51st Parallel. As a result of the foregoing, the Transaction will not constitute an arm's length transaction pursuant to the policies of the TSXV and the CSE.

Eight Capital and KES VII Capital are acting as strategic advisors to 51st Parallel with respect to the Transaction and the GCH Transaction.

In connection with the Transaction, it is expected that CBI² and 51st Parallel will each hold a shareholder meeting to seek approval of the Transaction.

Directors, officers and certain shareholders holding 15.3% of the CBI² Shares and 17.5% of the 51st Parallel Shares have entered into lock-up agreements with 51st Parallel and CBI², respectively, pursuant to which they have agreed to vote their CBI² Shares and 51st Parallel Shares, as applicable, in favour of the Transaction.

Upon closing of the Transaction and the GCH Transaction, LivWell International is expected to have approximately \$42.0 million in cash. The Transaction will not result in the creation of a new control person.

About CBI²

Target Capital Inc. d.b.a. CBI² Capital, is a Calgary, Alberta based company engaged in making strategic investments in private companies, including small start-up operations and land development

corporations. CBI²'s common shares are listed on the TSX Venture Exchange and the Canadian Securities Exchange under the trading symbol "TCI". Target is executing on a cannabis-focused investment strategy, where it intends to develop and manage a diversified portfolio of predominantly early stage cannabis investment opportunities. Target will explore and invest in a number of strategic investment opportunities in the medical and recreational cannabis industry and in businesses offering ancillary supportive products and services.

About 51st Parallel

51st Parallel, a company incorporated under the laws of Alberta, is a late stage applicant under Health Canada's *Access to Cannabis for Medical Purposes Regulations* ("**ACMPR**") to become a cannabis producer from its 103,000 ft², purpose built facility in Lethbridge, Alberta. 51st Parallel's application is currently at the security clearance and review stage with Health Canada for an ACMPR license.

51st Parallel's strategy to become a vertically integrated cannabis company positions 51st Parallel to capitalize on the pending federally legalized recreational market. 51st Parallel is executing a "seed-to-sale" strategy to provide a variety cannabis-related products to a significantly undersupplied Alberta market. 51st Parallel is in discussions with a number of Alberta municipalities regarding operating cannabis dispensaries and expects its production from Phase 1 will be sufficient to supply up to 10 retail locations.

The current directors and officers of 51st Parallel are: Sonny Mottahed (Chief Executive Officer and Chairman), Jason Kujath (President, Chief Operating Officer and a director) and David Cheadle (Chief Financial Officer).

As of the date of this press release, 54,026,832 51st Parallel Shares, 42,427,960 51st Parallel Share purchase warrants, 15,535,368 performance based 51st Parallel Share purchase warrants and 1,500,000 stock options are issued and outstanding.

As a group, the directors and senior officers of 51st Parallel own or control (directly or indirectly) 9,467,998 51st Parallel Shares representing approximately 17.5% of the outstanding 51st Parallel Shares.

For more information on 51st Parallel, please visit www.51st.ca.

Additional Information

Additional information regarding the Transaction, 51st Parallel, LivWell, GCH and LivWell International will be made publicly available by CBI² in due course, including pursuant to the management information circular to be filed on SEDAR in connection with the Transaction at www.sedar.com.

CBI² will apply to the TSXV and the CSE for an exemption from the sponsorship requirements in connection with the Transaction. If the exemption is not granted by the TSXV or the CSE, then CBI² would be required to engage a sponsor.

51st Parallel's work program and other information regarding 51st Parallel, LivWell and GCH will be submitted to the TSXV and the CSE for their review.

Reader Advisory

Completion of the Transaction is subject to a number of conditions, including but not limited to, TSXV and CSE acceptance and, if applicable, disinterested shareholder approval. Where applicable, the Transactions cannot close until the required shareholder approval is obtained.

There can be no assurance that the Transaction will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the management information circular to be prepared in connection with the Transaction, any information released or received with respect to the Transaction may not be accurate or complete and should not be relied upon. Trading in the securities of CBi2 should be considered highly speculative.

This press release is not an offer of the securities for sale in the United States. The securities have not been registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an exemption from registration. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any state in which such offer, solicitation or sale would be unlawful.

The TSX Venture Exchange Inc. has in no way passed upon the merits of the Transaction and has neither approved nor disapproved of the contents of this press release.

Neither the TSXV nor its regulation services provider (as that term is defined in the policies of the TSXV) accepts responsibility for the adequacy or accuracy of this release.

Forward-Looking Statements

This press release contains forward-looking statements and forward-looking information within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "continue", "estimate", "objective", "ongoing", "may", "will", "project", "should", "believe", "plans", "intends" and similar expressions are intended to identify forward-looking information or statements. More particularly and without limitation, this press release contains forward looking statements and information concerning the Transaction, the GCH Transaction and the Financing, the expected composition of the management team and board of directors of LivWell International, the application to the TSXV and the CSE in respect of the Transaction, LivWell International's business strategy, objectives, strength and focus and LivWell International's capital expenditure program.

The forward-looking statements and information are based on certain key expectations and assumptions made by CBi2, including expectations and assumptions concerning: CBi2, 51st Parallel, LivWell, GCH, LivWell International, the GCH Transaction, the Financing and the Transaction, the negotiation of the Financing on satisfactory terms, the timely receipt of all required securityholder, Court, TSXV, CSE and regulatory approvals, the satisfaction of other closing conditions in accordance with the terms of the Arrangement Agreement and the Investment Agreement, the future operations of, and transactions completed by, LivWell International, the availability of and access to qualified personnel, the expected growth in the cannabis market, the medical benefits, viability, safety, efficacy, dosing and social acceptance of cannabis, the securities markets and the general economy, the legalization of cannabis for adult-use in Canada, including federal and provincial regulations pertaining thereto and the timing related thereof and LivWell International's intentions to participate in such market, if and when legalized, applicable laws not changing in a manner that is unfavorable to LivWell International. Readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which have been used.

Although CBi2 believes that the expectations and assumptions on which such forward-looking statements and information are based are reasonable, undue reliance should not be placed on the forward looking statements and information because CBi2 can give no assurance that they will prove to be correct. By its nature, such forward-looking information is subject to various risks and uncertainties, which could cause the actual results and expectations to differ materially from the anticipated results or expectations expressed. These risks and uncertainties, include, but are not

limited to, the results of the due diligence review on any of CBi2, 51st Parallel or GCH by another party are less than satisfactory, the failure to complete the Financing on satisfactory terms or the parties are unable to obtain the required TSXV, CSE and shareholder approvals, risks associated with the cannabis industry in general, actions and initiatives of federal, state and provincial governments and changes to government policies and the execution and impact of these actions, initiatives and policies, including the fact that adult-use cannabis is currently illegal under federal and provincial law, import/export restrictions for cannabinoid-based operations, the size of the medical-use and adult-use cannabis market and competition from other industry participants.

Readers are cautioned that the assumptions used in the preparation of forward-looking information, although considered reasonable at the time of preparation, may prove to be imprecise. CBi2's actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements and accordingly there can be no assurance that such expectations will be realized and/or what benefits CBi2 will derive therefrom. The forward-looking information contained in this press release is made as of the date hereof and CBi2 undertakes no obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, unless required by applicable securities laws. The forward-looking information contained in this presentation is expressly qualified by this cautionary statement.

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For further information: Target Capital Inc., T: 403-351-1779, E: info@cbi2.com

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