

CBI² CAPITAL PROVIDES UPDATE IN RESPECT OF 51ST PARALLEL RETAIL CANNABIS OPERATIONS IN ALBERTA AND ONTARIO

September 27, 2018 – Calgary, Alberta – Target Capital Inc. d.b.a. CBI² Capital (“CBI²”) (TSXV/CSE: TCI) is pleased to provide an update in respect of 51st Parallel Inc.’s (“51st Parallel”) retail cannabis operations in Alberta and entry into the Ontario market.

Following completion of the transactions described in the press release dated July 23, 2018, the combined company will be uniquely positioned as a CSE and TSXV-listed, Calgary-based, vertically integrated cannabis company primarily focused on processing and extraction, retail operations and the execution of an aggressive cannabis-brand acquisition, licensing and development strategy.

Highlights

51st Parallel has taken significant steps to advance its business strategy in anticipation of cannabis legalization in Canada on October 17. The following achievements and numerous key milestones will directly contribute to our strong competitive position and securing market share in our key Canadian consumer markets:

- The retail footprint within Alberta was expanded to 15 secured locations, with an additional 10 elite locations identified that will support plans to aggressively expand the portfolio and footprint of retail stores in Alberta. Development permits have been applied for in respect of all 15 Alberta locations.
- Development permits have been received for 5 of our retail locations across 4 municipalities in Alberta, setting the stage to establish a strong presence across the province. We expect to receive development permits in respect of the other 10 locations.
- Over 100 elite retail locations have been identified in Toronto, the Greater Toronto Area (“GTA”) and 15 additional markets across Ontario. To-date, an aggregate of 60 offers to lease have been submitted. In addition, evaluations are continuing in respect of an additional 40+ locations throughout the province.

Increased Retail Footprint in Alberta

The retail strategy for Alberta includes targeting retail locations that offer optimal exposure, traffic and supportive demographics. Successful execution of this strategy is evidenced by 51st Parallel’s rapidly growing retail presence throughout Alberta, which has been meaningfully expanded. Five development permits have been granted for locations in Calgary, Edmonton, Airdrie and Lethbridge, with development permits expected in the other municipalities throughout the province. To-date, key operational activities in Alberta include:

- Receipt of a development permit for a strategic 3,000 square foot location in Calgary’s centrally-located Mission area, where numerous trendy shops, popular restaurants and active nightlife provide access to a wide demographic of potential customers.
- In Edmonton, acquisition of a development permit for a strategic storefront location situated along the vibrant and high-traffic Whyte Avenue, which is regarded as one of the city’s most popular dining, shopping and gathering areas.

- A development permit for a 2,400 square foot location in Stoney Plain was acquired, which will provide a storefront situated within an area near to the world-famous West Edmonton Mall, and located along a primary traffic artery for Edmonton which has an estimated 30,000 vehicles passing daily.
- A purchase agreement in respect of an 1,800 square foot location with exposure to Edmonton's downtown "Ice District" was executed. This affords access to a \$2.5 billion redevelopment project on 10 hectares of land that is expected to become Canada's largest mixed-use sports and entertainment district, once completed. Closing is expected to occur on or about October 15, 2018.
- In Jasper, a purchase agreement was entered into to acquire a development permit for a 4,000 square foot location on Jasper Avenue. The location is situated within Jasper National Park, a popular tourist destination in the heart of the Canadian Rockies that welcomes over 2.4 million tourists annually. Closing will occur upon receipt of the development permit, which is expected to occur on or about October, 30, 2018.
- Purchase agreements were executed on locations in rural centres that have supportive population and demographics, and typically situated near areas with active oil and gas operations such as Grand Prairie, Hinton and Wainwright.

Throughout the province, additional attractive retail opportunities continue to be evaluated as a means of supplementing the rapidly expanding portfolio of locations that are being established to serve our community of customers.

Retail Strategy for Ontario, Canada's Largest Market

With an estimated 14.4 million residents (2018), Ontario is home to approximately 40% of Canada's population. The province is ranked as the country's most heavily populated province and features Canada's largest estimated current cannabis use by region, as well as its highest estimated projected use upon legalization. As such, Ontario offers significant potential for cannabis retailers both in the GTA as well as across the balance of the province.

Following an aggressive evaluation of potential cannabis retail locations in Toronto, 30 locations have been identified in 6 strategic retail market areas for which offers to lease have been executed on locations in Toronto. 51st Parallel continues to actively evaluate the potential to submit offers to lease on an additional 6 locations.

In addition to Toronto, 51st Parallel has submitted offers to lease on 30 locations in an additional 22 areas of the GTA and southern Ontario, which will position 51st Parallel for the opening of privately-run storefronts in the province upon privatization of cannabis in Ontario.

An additional 40+ retail locations have been identified and continue to be evaluated throughout the province.

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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 operations, business strategy, objectives, strength and focus and 51st Parallel’s capital expenditure program.

The forward-looking statements and information are based on certain key expectations and assumptions made by CB² and 51st Parallel, including expectations and assumptions concerning: CB², 51st Parallel, future operations, 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 and the legalization of cannabis for adult-use in Canada, including federal and provincial regulations pertaining thereto and the timing related thereof and applicable laws not changing in a manner that is unfavorable. Readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which have been used.

Although CB² and 51st Parallel believe 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 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, 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. 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 will be derived therefrom. The forward-looking information contained in this press release is made as of the date hereof neither CB² nor 51st Parallel undertakes any 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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