Westleaf Announces Closing of Option to Purchase Cannabis Store located on Broadway in Saskatoon

CALGARY, April 17, 2019 /CNW/ - Westleaf Inc. (TSX-V: WL)(OTCQB: WSLFF) ("**Westleaf**"), is pleased to announce it has exercised its previously announced option (the "**Option**") to purchase all of the issued and outstanding shares of 102053012 Saskatchewan Ltd. ("**102**"), which operates a cannabis retail store located at 720 Broadway Avenue, Saskatoon.

Highlights

- **Premium Location:** The 720 Broadway Avenue store is in a high density, shopping-friendly neighborhood, situated in the middle of the city's densest commercial and entertainment district and is also close to the University of Saskatchewan, the largest post-secondary institution in the province;

- **Well Defined and Regulated Market:** Saskatoon is the 17th largest city in Canada with around 300,000 people in the metropolitan area. The Saskatchewan Liquor and Gaming Authority (the "**SLGA**") has approved seven licenses for the Saskatoon market, with Westleaf owning one of such locations upon the anticipated closing of the Option, while having a previously announced option to purchase a second location.

- **Truly Vertically Integrated Company** – Westleaf is a vertically integrated company in the Canadian cannabis industry, with assets owned and under development across each vertical of the business, including cultivation, extraction, processing & manufacturing, distribution and wholly owned retail.

Pursuant to the Option purchase agreement, upon delivery of all closing deliverables, which is expected to occur today, Westleaf will acquire the shares of 102 for an aggregate price of $690,000, upon which 102 will become a wholly owned subsidiary of Westleaf. The purchase price for the 102 shares will be paid by: (i) the issuance of an aggregate of 315,789 common shares in the capital of Westleaf ("**Common Shares**") at a deemed value of $1.71 per Common Share; and (ii) a cash payment $150,000. Under the Option purchase agreement, Westleaf was eligible to purchase and transfer the store once 102 (as license holder) received approval from the SLGA.

The store, which was built out as part of a license agreement with Westleaf, will operate under the *Prairie Records* retail banner and will be open for business on April 17, 2019. The store's grand opening celebration is expected to occur on April 20, 2019, the day that is synonymous with the legalization of cannabis.

"While *Prairie Records* creates a unique and totally different cannabis retail experience, we do want to recognize the day that activists used to bring attention to the push for legalization of cannabis which has gone on for many years," noted Adam Coates, Chief Commercial Officer at Westleaf. "We are excited to open our doors in Saskatoon providing the community with a unique retail option that celebrates the relationship between cannabis and music."

"Saskatchewan is proving to be a strong cannabis retail market as the sector continues to evolve and mature," said Scott Hurd, President and CEO of Westleaf. "Here, we have the opportunity to deal directly with licensed producers in purchasing inventory, we are able to sell online across the province through our e-commerce platform, and the ratio of stores to market size make Saskatoon an ideal location to operate cannabis retail."

Prairie Records currently has a store operating in Warman, Saskatchewan, approximately 20 minutes from Saskatoon, as well as province-wide online sales at www.prairierecords.com. Westleaf holds an additional option to purchase a second store in Saskatoon.

About *Prairie Records*

Focusing exclusively on densely populated neighborhoods, high traffic areas, and tourist destinations, *Prairie Records* retail stores will be situated premium retail locations across the country. The foundation of the retail concept is ingrained with a desire to create a unique cannabis purchasing experience through tactile in-store features and product offerings that highlight the relationship between music and cannabis. Westleaf continues to be committed to becoming a leader in the Canadian cannabis retail market.

About Westleaf Inc.

Westleaf is a vertically integrated cannabis company focused on innovative retail experiences and engaging cannabis brands as well as cultivation, production and extraction of cannabis products. Westleaf is rolling out a national retail footprint for its retail concept *Prairie Records*, with stores planned for British Columbia, Alberta, Saskatchewan and potentially Ontario. The retail concept leverages the instinctual tie between recreational cannabis and music and redefines the cannabis purchasing experience. Westleaf also has two significant production facilities under construction, with completion anticipated to occur in 2019. For more information, please visit http://www.westleaf.com or www.prairierecords.ca.

Neither 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

Cautionary Statements

This news release contains "forward-looking information" and "forward-looking statements" (collectively, "forward-looking statements") within the meaning of the applicable Canadian securities legislation. All statements, other than statements of historical fact, are forward-looking statements and are based on expectations, estimates and projections as at the date of this news release. Any statement that involves discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, future events or performance (often but not always using phrases such as "expects", or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "budget", "scheduled", "forecasts", "estimates", "believes" or "intends" or variations of such words and phrases or stating that certain actions, events or results "may" or "could", "would", "might" or "will" be taken to occur or be achieved) are not statements of historical fact and may be forward-looking statements. In this news release, forward-looking statements relate, among other things, to: the closing of the Option; timing and opening of the new retail store located at 720 Broadway Avenue, Saskatoon and the planned rollout of other retail locations; timing and completion of Westleaf's production facilities; and the business and operations of Westleaf. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable, are subject to known and unknown risks, uncertainties, and other factors which may cause the actual results and future events to differ materially from those expressed or implied by such forward-looking statements. Such factors include, but are not limited to: satisfaction of all conditions to the exercise and closing of the Option; timing and completion of construction of retail locations; review of facilities by Health Canada and receipt of a licensee from health Canada in respect of Westleaf's production facilities; future legislative and regulatory developments involving cannabis; the ability of Westleaf to implement its business strategy; inability to access sufficient capital from internal and external sources, and/or inability to access sufficient capital on favorable terms; the labour market generally and the ability to access, hire and retain employees; the cannabis industry in Canada generally; general business, economic, competitive, political and social uncertainties; and the delay or failure to receive board or regulatory approvals. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on the forward-looking statements and information contained in this news release.

The forward-looking statements and information contained in this news release are made as of the date hereof and Westleaf undertakes no obligation to update publicly or revise any forward-looking statement or information, whether as a result of new information, future events or otherwise, unless so required *by applicable securities laws.*

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

View original content to download multimedia:
http://www.prnewswire.com/news-releases/westleaf-announces-closing-of-option-to-purchase-cannabis-store-located-on-broadway-in-saskatoon-300833570.html

SOURCE Westleaf Inc.

View original content to download multimedia: http://www.newswire.ca/en/releases/archive/April2019/17/c0342.html

%SEDAR: 00005802E

For further information: Bruce Leslie, VP Corporate Communications, Bruce.leslie@westleaf.com, 403-801-7612; Lauren Steeves, North Strategic, Lauren.steeves@northstrategic.com, 306-717-3253

CO: Westleaf Inc.

CNW 07:00e 17-APR-19