

Westleaf Issues Common Shares to Xabis

CALGARY, Sept. 17, 2019 /CNW/ - Westleaf Inc. (the "**Company**" or "**Westleaf**") (TSX-V:WL) (OTCQB:WSLFF) is pleased to announce that pursuant to a Consulting and Extraction Services Agreement between a subsidiary of Xabis Inc. ("**Xabis**") and Westleaf Labs LP, a wholly owned subsidiary of the Company (the "**Agreement**"), the Company has issued 909,090 common shares ("**Common Shares**") in the capital of the Company to Xabis at a deemed price of \$0.44 per share (the "**Tranche 1 Shares**").

Under the terms of the Agreement, which was previously announced by the Company on June 4, 2019, Xabis will provide technical expertise to the Company's Calgary-based extraction, processing and manufacturing facility ("**The Plant**"), in exchange for equity-based compensation of up to \$1,000,000 worth of Common Shares, payable in three tranches over a three year period and a cash payment consisting of six monthly fixed fee service-based cash payments estimated to amount to approximately \$138,000. The quantity of the Common Shares to be issued under each tranche will be determined by dividing the equivalent dollar amount to be received under the respective tranche by the five day volume weighted average trading price of the Common Shares determined on the trading day immediately preceding the date on which the Common Shares are to be issued or such other method as may be permitted by TSX Venture Exchange policy.

The issuance of the Tranche 1 Shares is the first of three tranches of Common Shares to be issued to Xabis pursuant to the Agreement.

About Westleaf Inc.

Westleaf is a Canadian cannabis company focused on cannabis brands, extraction and production of derivatives, wholly owned retail, as well as cannabis cultivation. The Company's extraction and processing facility, *The Plant*, will produce high quality and consistent cannabis derivatives and consumables, both for Westleaf's in-house brands as well as white label products. Westleaf's retail concept, Prairie Records, leverages the instinctual tie between recreational cannabis and music with stores operating or in development across Western Canada. The Company's Thunderchild cultivation facility is scheduled for completion at the end of this year.

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 to, among other things, (i) the construction of the Thunderchild cultivation facility and the

timing for completion of same; (ii) products and brands to be produced from Westleaf's production facilities and the products and services that Westleaf plans to offer; (iii) amounts payable to Xabis under the Agreement (including the issuance of Common Shares to Xabis as consideration for services provided to Westleaf by Xabis) and the timing thereof. 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: risks relating to the ability to obtain or maintain licences to retail cannabis products; review of Westleaf's production facilities by Health Canada and receipt of licences from Health Canada in respect thereof; future legislative and regulatory developments involving cannabis, including the passing of regulations regarding derivative cannabis products; inability to access sufficient capital from internal and external sources, and/or inability to access sufficient capital on favourable terms; the labour market generally and the ability to access, hire and retain employees; general business, economic, competitive, political and social uncertainties; the satisfaction of conditions precedent under Westleaf's credit facilities; timing and completion of construction of Westleaf's production facilities and retail locations; and the delay or failure to receive board, ATB Financial or regulatory approvals, including any approvals of the TSX Venture Exchange, as applicable. 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. Except as required by law, Westleaf assume no obligation to update the forward-looking statements of beliefs, opinions, projections, or other factors, should they change, except as required by law.

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