

June 25, 2018



CLS Holdings USA Announces Closing of Oversubscribed C\$13.0 Million Private Placement

TORONTO and LAS VEGAS, June 25, 2018 (GLOBE NEWSWIRE) -- CLS Holdings USA, Inc. (OTCQB:CLSH) "CLS," a development stage diversified cannabis company operating as Cannabis Life Sciences, is pleased to announce the closing of its previously announced oversubscribed private placement offering (the "**Offering**") of special warrants (the "**Special Warrants**") for aggregate gross proceeds of C\$13,037,859. Proceeds exceeded the originally announced target of C\$10,000,000 due to high investor demand. A Canadian agent (the "**Agent**") acted as the sole agent and sole bookrunner in connection with the Offering.

Pursuant to the Offering, the Company issued 28,973,019 Special Warrants, at a price of C\$0.45 per Special Warrant. Each Special Warrant is automatically exercisable, for no additional consideration, into units of the Company (the "**Units**") on the earlier of: (i) the date that is five business days following the date on which the Company obtains a receipt from the applicable securities regulatory authorities in each of the jurisdictions in Canada in which the Special Warrants are sold (collectively, the "**Securities Commissions**") for a (final) prospectus qualifying the distribution of the Units issuable upon exercise of the Special Warrants (the "**Qualification Prospectus**"), intended to be no later than August 31, 2018, and (ii) the date that is four months and one day after the completion of the acquisition (the "**Proposed Acquisition**") of the outstanding equity interests in three subsidiaries of Alternative Solutions, LLC, known as Oasis Cannabis (the "**Time of Expiry**").

Upon automatic exercise of the Special Warrants, each Unit shall consist of one common share of the Company (each, a "**Common Share**") and one common share purchase warrant of the Company (each, a "**Warrant**"). Each Warrant will be exercisable to acquire one Common Share at a price of C\$0.65 for a period of 36 months from the date that the Common Shares are listed on a recognized Canadian stock exchange, subject to adjustment in certain events.

Pursuant to the terms of the Offering, the Company has agreed to use its best efforts to obtain a receipt from the Securities Commissions for the Qualification Prospectus before August 19, 2018 (the "**Qualification Date**"); provided, however, that there is no assurance that a Qualification Prospectus will be filed or that a receipt therefor will be issued by the Securities Commissions prior to the expiry of the statutory four month hold period on October 21, 2018. In the event the Company has not received a receipt from the Securities Commissions for the Qualifying Prospectus before the Qualification Date, each unexercised Special Warrant will thereafter entitle the holder to receive, upon the exercise thereof, for no additional consideration, 1.1 Units (instead of one (1) Unit) (the additional 0.1 Units are collectively referred to herein as the "**Penalty Units**"); provided, however, that any fractional

entitlement to Penalty Units will be rounded down to the nearest whole Penalty Unit.

Insiders of the Company or their associates participated in the Offering for an aggregate amount of C\$1,335,712.

In connection with the Offering, the Agents received a cash commission, a corporate finance fee equal to 1,448,651 Special Warrants, and 2,317,842 compensation warrants (the "**Compensation Warrants**"). Each Compensation Warrant entitles the holder thereof to acquire one Unit at a price of \$0.45 per Unit for a period of 36 months from the date that the Common Shares are listed on a recognized Canadian stock exchange, subject to adjustment in certain events.

Prior to the filing of the Qualifying Prospectus and the automatic exercise of the Special Warrants, the securities issued under the Offering will be subject to a four month hold period from the date of closing of the Offering, expiring on October 21, 2018.

The net proceeds from the Offering will be disbursed to the Company in connection with the closing of the Proposed Acquisition and will be used for the Proposed Acquisition, facility expansion, working capital and general corporate purposes.

The securities referenced herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "1933 Act"), or under any applicable state securities laws, and may not be offered or sold, directly or indirectly, or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the 1933 Act) absent registration or an applicable exemption from such registration requirements. This news release does not constitute an offer to sell or a solicitation of an offer to buy such securities in the United States.

About CLS Holdings USA, Inc.

CLS Holdings USA, Inc. (CLSH) plans to become a diversified cannabis company and is shifting its corporate strategy to becoming a fully licensed integrated cannabis producer and retailer in Nevada and other states.

CLS stands for "Cannabis Life Sciences," in recognition of the Company's patent pending proprietary method of extracting various cannabinoids from the marijuana plant and converting them into products with a higher level of quality and consistency. The Company's business model includes licensing operations, processing operations, processing facilities, sale of products, brand creation and consulting services.

For additional information, please visit: <http://www.clsholdingsinc.com>

Oasis Cannabis □

CLS has executed a definitive agreement to acquire the Oasis Cannabis companies through its acquisition of Alternative Solutions, LLC. CLS will use a portion of the net proceeds from the Offering to pay the cash portion of the closing purchase price. The closing of the transaction is subject to customary conditions, as well as the issuance of CLS common stock to the sellers and the receipt of regulatory approvals.

Forward Looking Information

Certain statements in this document, including statements with respect to the Offering, contain forward-looking statements which can be identified by the use of forward-looking terminology such as "believes", "expects", "may", "desires", "will", "should", "projects", "estimates", "contemplates", "anticipates", "intends", or any negative such as "does not believe" or other variations thereof or comparable terminology. No assurance can be given that potential future results or circumstances described in the forward-looking statements will be achieved or will occur. By their nature, these forward-looking statements, necessarily involve risks and uncertainties, including those discussed herein, that could cause actual results to significantly differ from those contemplated by these forward-looking statements. Such statements reflect the view of the Company with respect to the Offering, the Proposed Acquisition and future events, and are based on information currently available to the Company and on assumptions, which it considers reasonable. Management cautions readers that the assumptions relative to the future events, several of which are beyond Management's control, could prove to be incorrect, given that they are subject to certain risk and uncertainties, and that actual results may differ materially from those projected. Factors which could cause results or events to differ from current expectations include, among other things: fluctuations in operating results; the impact of general economic, industry and market conditions; compliance with laws and regulations related to the cannabis industry; the ability to recruit and retain qualified employees; fluctuations in cash flow; increased levels of outstanding debt and obligations under a capital lease; expectations regarding market demand for particular products and the dependence on new product development; the impact of market change; and the impact of price and product competition. Management disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except as required by applicable securities laws. The reader is cautioned not to place undue reliance on forward-looking information.

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