

August 14, 2018



# CLS Holdings USA Issues Chairman's Update

## ***Seeking Expansion Beyond Nevada Exploring to License the Proprietary Extraction and Conversion Processing***

LAS VEGAS, Aug. 14, 2018 (GLOBE NEWSWIRE) -- CLS Holdings USA, Inc. (OTCQB: CLSH) "CLS," a diversified cannabis company operating as Cannabis Life Sciences and an integrated cannabis producer and retailer in Nevada through its Oasis Cannabis companies, today announced the issuance of the following statement to CLS partners, shareholders and other stakeholders from its Chairman and Chief Executive Officer, Jeff Binder:

"I reach out to all members of the CLS family today with gratitude, pride and excitement. Gratitude and pride for the dedication and support of our employees, partners and shareholders in our accomplishments to date, and great excitement for the value I see for us in the path ahead. It's been an extremely busy and productive past few months for our CLS team and we believe we are now in a great position to build long-term shareholder value.

Over the past 45 days, we have closed on two oversubscribed funding rounds. A Canadian round of CAN\$13.0 million and a U.S. round of \$5.75 million. We are encouraged that our financial backers share the excitement and vision we have for CLS. Navy Capital, one of our lead funds, has a vast network of relationships in the cannabis industry and is extremely interested in the CLS patented extraction and processing technology. We look forward to the added value that Navy Capital brings to CLS. It is a terrific corporate development to have an additional partner, of Navy Capital's stature, and we are excited by the expertise they bring to CLS. We now have the funds in place to complete the build out of our Las Vegas cultivation and production facility. In addition, CLS will utilize a portion of the proceeds to update its existing Oasis Cannabis dispensary location and improve its signage.

We are pleased to welcome Frank Tarantino as our Chief Financial Officer, at a key time with our next phase in organic growth and acquisitions. Mr. Tarantino brings big four public accounting and private and public company management and financial expertise, which will be extremely beneficial in leading our growth.

With our successful closing of the Oasis Cannabis acquisition, CLS is now active in the legalized cannabis market in Las Vegas, NV. Oasis Cannabis is a fully integrated cannabis operation generating \$850,000 in gross monthly revenue. Since 2017, Oasis has been involved in growing, extraction, conversion, processing and operating a dispensary. Due to increased demand and the additional capital that was just raised, CLS plans to triple the grow production capacity over the remainder of 2018 and into 2019. Oasis's City Trees wholesale product line recently more than doubled its number of product SKUs offered to retail dispensary customers, and now covers a variety of concentrates, vape pens, and capsules, and tinctures including high CBD versions. The City Trees product line is now

being sold in over 20 dispensaries in the Las Vegas and Reno markets. As we add new locations and expand our product manufacturing and cultivation facilities there will be more jobs created and additional opportunities for our existing team to advance in their careers.

While our entrance and success in Nevada is key for the company, we are not satisfied with resting on these milestones. We continue to explore additional opportunities for expansion in different states.

Our recently awarded non-provisional U.S. utility patent for cannabidiol extraction and conversion process by the United States Patent and Trademark Office is a very significant milestone. The patent is directed to a process for the extraction of cannabidiols from any variety of cannabis plants. The extraction process includes a sizing unit wherein raw cannabis plant material is reduced to a uniform size, and a blending unit wherein an extraction solvent is blended together with the cannabis plant material to form an initial extract. The conversion process, wherein the processed extract is combined and processed with an acidic component, involves a separator unit in which solvent is added and a separator organic effluent is obtained. We believe our strong intellectual property differentiates us from many of the operators out there. We will seek to license our proprietary extraction and conversion methodology to other operators to be able to monetize it and help build long-term shareholder value.

I would personally like to thank all of our hardworking and dedicated CLS and Oasis Cannabis employees. I would also like to thank our financial supporters and shareholders for their support and enthusiasm of our strategy and vision.

We look forward to sharing our continued progress as we look to expand to additional legalized states and exploit our patent-protected extraction and conversion process."

#### **About Oasis Cannabis** (<http://oasiscannabis.com>)

Oasis Cannabis has operated a cannabis dispensary in the Las Vegas market since dispensaries first opened in Nevada in 2015 and has been recognized as one of the top marijuana retailers in the state. Its location within walking distance to the Las Vegas Strip and Downtown Las Vegas in combination with its delivery service to residents allows it to efficiently serve both locals and tourists in the Las Vegas area. The company recently commenced wholesale offerings of cannabis in Nevada with the launch of its City Trees brand of cannabis concentrates and cannabis-infused products in August 2017. An expansion of its cultivation and production facility is currently underway and is expected to be completed during the second half of 2018.

#### **About CLS Holdings USA, Inc.**

CLS Holdings USA, Inc. (CLSH) is a diversified cannabis company that, subject to receipt of certain anticipated license approvals, acts as an integrated cannabis producer and retailer in Nevada and plans to expand to other states.

CLS stands for "Cannabis Life Sciences," in recognition of the Company's patented 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>

Twitter: @CLSHusa

### **Forward Looking Statements** □

This press release contains forward-looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995. These statements relate to anticipated future events, future results of operations or future financial performance. These forward-looking statements include, but are not limited to, statements relating to whether certain transactions will be completed, the terms of such transactions, the descriptions of the companies and the business that any potential target companies could bring to CLS Holdings, and anticipated license approvals. In some cases, you can identify forward-looking statements by terminology such as "may," "might," "will," "should," "intends," "expects," "plans," "goals," "projects," "anticipates," "believes," "estimates," "predicts," "potential," or "continue" or the negative of these terms or other comparable terminology. These forward-looking statements are only predictions, are uncertain and involve substantial known and unknown risks, uncertainties and other factors which may cause our actual results, levels of activity or performance to be materially different from any future results, levels of activity or performance expressed or implied by these forward-looking statements. We cannot guarantee future results, levels of activity or performance and we cannot guaranty that the proposed transactions described in this press release will occur. You should not place undue reliance on these forward-looking statements, which speak only as of the date that they were made. These cautionary statements should be considered together with any written or oral forward-looking statements that we may issue in the future. Except as required by applicable law, we do not intend to update any of the forward-looking statements to conform these statements to reflect actual results, later events or circumstances or to reflect the occurrence of unanticipated events. See CLS Holdings USA filings with the SEC for additional details.

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