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CLS Holdings USA Executes Two Letters of Intent, which will provide the Opportunity to Enter the Rapidly Expanding Massachusetts Market

LAS VEGAS, Sept. 17, 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 subsidiaries, today announced it has executed two Letters of Intent (LOIs) to enter the rapidly growing Massachusetts market. CLS looks forward to the opportunity to enter the Massachusetts market, which has been operating as a legalized medical jurisdiction since 2015 and has approved legalized recreational use.

CLS has agreed in principle to loan \$5 million to In Good Health, a licensed medical dispensary in Brockton, Massachusetts with a significant market share. Along with the loan, CLS will have an option to acquire InGood Health. InGood Health is located 25 miles south of downtown Boston and is one of the 38 licensed dispensaries in the state. The Brockton dispensary was the second licensed dispensary in the state and has been operational since September 2015, which has been medical only up until this time. In Good Health is currently servicing 17,000 registered patients and delivering to 1,700 homes with key product offerings of flower, concentrates, vapes, edibles, pre-rolls and tinctures.

CLS has also agreed in principle to form an 80/20 joint venture with CannAssist, which CLS will own 80%. CannAssist plans to build out a recreationally licensed cultivation grow facility in Leicester, Massachusetts. **The planned Leicester 86,000 square foot facility is in possession of its host community agreement, is awaiting state acknowledgement of its pending recreational licenses** and upon completion will be the third largest cultivation grow in the state. The Leicester facility is anticipated to produce its first harvest in the fourth quarter of 2019 and be able to produce 28,000 lbs of flower along with 858,000 grams of extract once it is operating at capacity. At current pricing of \$3,500 per pound of flower and \$40 per gram of extract, total capacity is expected to reach \$120 million in revenue. CLS anticipates generating substantial positive cash flow from the joint venture.

Massachusetts has a population of 6.9 million people as compared to 5.6 million people in Colorado. Massachusetts is also centrally located to the dense population of New England with a less than 100-mile drive from Rhode Island, Connecticut, New York, New Hampshire and Vermont. In 2017, Colorado generated \$1.5 billion in legalized marijuana sales and had over 500 licensed dispensaries and over 700 licensed cultivation facilities. Massachusetts currently has issued only 39 licensees.

Jeff Binder, Chief Executive Officer of CLS Holdings USA, commented, "We are extremely

excited to have the opportunity to enter the Massachusetts market. It's something we have been eyeing for a long time given the attractive characteristics and recent approval of adult use cannabis. This opportunity fits into our stated objective of entering markets that are on the cusp of implementing a robust adult use market."

David Noble, President of InGood Health and Partner of CannAssist, commented, "I am proud of all our team has accomplished to create a leading medical marijuana dispensary. I look forward to continuing our mission and hard work. We look forward to the opportunity to be part of one of the top companies in the field. This will ensure that we can provide the highest quality products to patients and customers for many years to come."

Jon Napoli, Managing Partner, CannAssist, stated, "We have been working with the city of Leicester for the past 12 months on this project and are pleased to receive all necessary approvals. This will bring a number of employment opportunities to this community and we look forward to being a reliable partner and producing some of the finest quality cannabis in the state."

Forward Looking Statements □

The completion of both the In Good Health and CannAssist transactions is subject to the execution of definitive agreements between the parties, the receipt of financing by CLS and the satisfaction of customary conditions.

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 and when certain acquisitions and other transactions will be completed, the timing and quantity of harvests, the anticipated pricing of products 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.

About In Good Health

In Good Health, Inc. ("IGH") is a non profit corporation which holds a Certification of Registration to operate a registered marijuana dispensary in Massachusetts. IGH was one of eleven original applicants awarded a Certificate of Registration from the Department of

Public Health, and was the second to open in the state. IGH successfully operated its co-located marijuana cultivation and dispensary facility in Brockton, Massachusetts in September, 2015.

About CannAssist

CannAssist plans to build out a recreationally licensed cultivation, manufacturing and extraction facility located in Leicester, Massachusetts. The entity has received all approvals to build a facility that upon completion will have 86,000 square feet of cultivation and processing capacity making it one of the top 3 facilities in the state. The company expects to begin operations and realize its first harvest in the fourth quarter of 2019.

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. In August 2017, the company commenced wholesale offerings of cannabis in Nevada with the launch of its City Trees brand of cannabis concentrates and cannabis-infused products. An expansion of its cultivation and production facility is currently underway and is expected to be completed during the first quarter of 2019.

About CLS Holdings USA, Inc.

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

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

Twitter: @CLSHusa

See CLS Holdings USA filings with the SEC for additional details.

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