

HOLLYWEED NORTH CANNABIS AND NAVION CAPITAL PROVIDE UPDATE AND ANNOUNCE PRIVATE PLACEMENT FINANCINGS

CALGARY, ALBERTA—(Accesswire - July 5, 2019) -

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Corporate Update

On August 22, 2018, Navion Capital Inc. ("**Navion**") (TSX-V:NAV.N.P) and Hollyweed North Cannabis Inc., ("**Hollyweed**" or the "**Company**") announced business combination of Navion and Hollyweed (the "**Business Combination**"). The company resulting from the Business Combination is herein referred to as the "**Resulting Issuer**". In connection with the Business Combination, as reported in its previous press release, Navion proposes to consolidate its issued and outstanding shares on a 2 for 1 basis (the "**Consolidation**"). Concurrently with the Consolidation, the transaction is expected to result in the security holders of Hollyweed North exchanging all securities, consisting of 82,257,397 common shares (not including any securities issuable pursuant to the Offering or the Non-Brokered Financing, as defined below) and 4,257,190 stock options for 82,257,397 shares and 4,257,190 stock options of the Corporation, on the same terms. The transaction will be structured by way of a plan of arrangement, amalgamation, merger, takeover bid, reorganization or other similar form of transaction, as determined following a review of all relevant legal, regulatory and tax matters. Following the Consolidation and the issuance of securities to Hollyweed shareholders (not including any securities issuable pursuant to the Offering or the Non-Brokered Financing, as defined below), shareholders of Navion will hold 2,000,000 common shares of the Resulting Issuer, representing approximately 2.4% of the issued and outstanding shares of the Resulting Issuer, on a non-diluted basis. The Business Combination is expected to close in November 2019 (the "**Listing Date**").

On March 20, 2019 Canopy Growth Corporation (TSX:WEED, NYSE:CGC) ("**Canopy Growth**") and Hollyweed Manufacturing & Extracts Inc., a wholly owned subsidiary of Hollyweed, entered into a multi-year processing and extraction agreement. Hollyweed and Canopy Growth expect the first shipment of product for extraction will occur in fall 2019.

Non-Brokered Private Placement

Hollyweed is pleased to announce that it is offering, on a non-brokered basis, up to 10,000,000 Hollyweed common shares at a price of \$0.50 per share for gross proceeds of up to \$5 million (the "**Non-Brokered Placement**"). Hollyweed anticipates closing the Non-Brokered Placement on or before September 15, 2019. Finders' fees of up to 8% cash may be payable to qualified parties in respect of some subscriptions.

Proposed Brokered Private Placement

In addition, Hollyweed has entered into an agreement with Haywood Securities Inc. ("**Haywood**") whereby, subject to the Non-Brokered Placement being completed with minimum gross proceeds

of \$4 million, Haywood will act as lead agent in respect of an offering of approximately \$4 million of subscription receipts ("**Subscription Receipts**") of Hollyweed on a reasonable commercial best efforts private placement basis pursuant to applicable private placement exemptions under applicable securities laws (the "**Brokered Offering**").

The Subscription Receipts will be offered at a price per Subscription Receipt to be determined by Haywood and Hollyweed in the context of the market prior to closing. Each Subscription Receipt will entitle the holder thereof, without payment of any additional consideration and without further action on the part of the holder, to receive one security of the Company (a "**Security**"), upon meeting certain terms and conditions described below. The type of Security offered will be subject to agreement between Haywood and Hollyweed prior to closing, acting reasonably.

Hollyweed will pay to Haywood a cash commission of 8.0% of the gross proceeds of the Brokered Offering and issue compensation options to Haywood equal to 8% of the Securities sold under the Brokered Offering. Each compensation option will be exercisable into one Security at the offering price and will be exercisable for 24 months following the Listing Date. The Company will also pay to Haywood a corporate finance fee of \$125,000.

Closings

The closing of the Non-Brokered Placement is anticipated to be on or before September 15, 2019. Closing of the Brokered Offering is expected to occur in November 2019 or such other date as Haywood and the Company may agree (the "**Closing Date**"). On the Listing Date, the Common Shares of Hollyweed, including those issued pursuant to the Non-Brokered Placement and the Brokered Offering will become freely tradable.

Upon the closing of the Brokered Offering, which is subject to conditions customary for offerings of this nature, the gross proceeds from the issuance of Subscription Receipts (the "**Escrowed Proceeds**") less 50% of Haywood's commission will be held by a Canadian trust company or other escrow agent acceptable to the Company and Haywood, and invested in short-term obligations of, or guaranteed by, the Government of Canada (and other approved investments) until the earlier of: (i) the satisfaction of the Escrow Release Conditions; and (ii) the Termination Time. Provided the Escrow Release Conditions are satisfied on or before the Termination Time, the Escrowed Proceeds will be released to the Company (along with any accrued interest thereon) upon receipt of a notice by the Escrow Agent from Haywood and the Company that certain Escrow Release Conditions have been satisfied (the "**Escrow Release Notice**"). The Subscription Receipts shall be deemed to be converted at such time without further action on the part of the holder upon closing of the Business Combination. If the Business Combination has not been completed by 4:00 pm (Vancouver time) on the date that is 120 days following the closing date of the Offering (the "**Listing Deadline**") or the Company advises Haywood or the public that it does not intend to proceed with the Business Combination (in each case, the earliest of such dates being the "**Termination Time**"), the Escrowed Proceeds will be reimbursed on a *pro rata* basis to the holders of Subscription Receipts at the original subscription price, plus such holder's *pro rata* portion of any interest earned thereon.

Use of Proceeds

The net proceeds received by the Company from the Non-Brokered Placement and the Brokered Offering will be used by Hollyweed and the Resulting Issuer for equipment purchases, facility improvements, and corporate and general working capital purposes.

About Hollyweed North Cannabis Inc.

Hollyweed was incorporated February 2017 to enter into the Canadian federally regulated cannabis production and manufacturing space, legislated for the adult-use recreational market

October 2018. Initiated and led by Renee Gagnon, the founder of one of Canada's original licensed producers (Thunderbird Biomedical (Federal License 005) now Emerald Health (TXV:EMH.V)), Hollyweed provides economies of scale to other licensed participants such as existing standard licensed producers and the new upcoming micro producer marketplace.

Hollyweed's wholly owned subsidiary, Hollyweed Manufacturing & Extracts Inc ("**HWM**") holds a Processor License issued by Health Canada under the *Cannabis Act*. HWM's license for cultivation purposes is complete, pending inspection by Health Canada.

Hollyweed's group of subsidiaries also includes: Terracube International Inc., (proprietary environmentally controlled clean room grow technology to facilitate pharmacy-grade cannabis products), Hollyweed Grow Inc. (franchise turnkey grow operations), and Hollyweed Retail Inc. (retail solutions provider and supply chain management).

About Navion Capital Inc.

Navion is a "capital pool company" incorporated to identify and evaluate assets or businesses with a view to completing a "Qualifying Transaction" under the policies of the TSX Venture Exchange ("**TSXV**").

For further information regarding the Transaction, please contact:

Hollyweed:

Cheryl Evans

Tel: (250) 507-8214

Email: cevens@hollyweednorth.com

Navion:

Livio Susin

Tel: (604) 789-2410

Email: liviotravel@gmail.com

Completion of the Business Combination is subject to a number of conditions, including but not limited to, TSXV acceptance and, if applicable, pursuant to the requirements of the TSXV, majority of the minority shareholder approval. Where applicable, the Business Combination cannot close until the required shareholder and regulatory approval is obtained. There can be no assurance that the Business Combination will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the management information circular or filing statement to be prepared in connection with the Business Combination, any information released or received with respect to the Business Combination may not be accurate or complete and should not be relied upon. Trading in the securities of Navion should be considered highly speculative.

This press release is not an offer of securities for sale in the United States. The securities described in this press release have not been registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the U.S. Securities Act of 1933, as amended) absent registration or an exemption from registration. This press release shall not constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of the securities in any jurisdiction where such offer, solicitation, or sale would be unlawful.

The TSX Venture Exchange Inc. has in no way passed upon the merits of the proposed Business Combination and has neither approved nor disapproved the contents of this press release.

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.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION: This news release includes certain "forward-looking statements" under applicable Canadian securities legislation. Forward-looking statements include, but are not limited to, statements with respect to: the terms and conditions of the proposed Business Combination; the terms and conditions of the proposed Offering; future developments and the business and operations of the "Resulting Issuer" after the proposed Business Combination. 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: general business, economic, competitive, political and social uncertainties; and delay or failure to receive board, shareholder or regulatory approvals. There can be no assurance that the Business Combination will proceed and 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 forward-looking statements. Navion and Hollyweed disclaim 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 law.