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November 12, 2021

VIA EMAIL AND FAX

Chair Sabatier and
Members of the Board of Supervisors
County of Lake
c/o Clerk to the Board
255 N. Forbes Street
Lakeport, CA 95453
Tel: (707) 263-2207
Fax: (707) 263-2207
Email: johanna.peelen@lakcecountyca.gov

Re: **Supplemental Response of SourzHVR, Inc. to Appeal (AB 21-04) of UP 21-10;**
Project: SourzHVR, Inc. Major Use Permit (UP 21-10) for Outdoor Commercial
Cannabis Cultivation, 11650 High Valley Road, Clearlake Oaks, California
Project Approval Date: July 22, 2021
Appeal Hearing Date: Continued to November 16, 2021, at 10:15 a.m.

Dear Lake County Supervisors:

This Supplemental Response to the Appeal dated July 28, 2021 (the "Appeal") of Donald and Margie Van Pelt ("Appellants") of Major Use Permit UP-21-10 is submitted on behalf of the Applicant SourzHVR, Inc. ("Applicant"). This Supplemental Response provides additional information which was revealed through the County's response to the Public Records Act Request submitted by attorney Bradley Johnson. As explained below, the involvement of Mr. Johnson in this matter should be viewed by the Board of Supervisors with great scrutiny because he is representing the interests of market competitors "Bar X" and "Lake Vista Farms."

Introduction

On September 17, 2021, attorney Bradley Johnson submitted an extensive request pursuant to the Public Records Act (the "Request"). Mr. Johnson then requested a continuance of the October 19, 2021 hearing on the Appeal to "allow time for the County to produce relevant documents requested by Appellant" pursuant to the Request. The County's response to the Request revealed

that Mr. Johnson represents “Bar X” and “Lake Vista Farms” and that he submitted the Request on behalf of those clients for commercial reasons having nothing to do with environmental concerns

1. The Responsive Documents Show that Mr. Johnson Represents the Interests of Market Competitors.

The following non-inclusive sample of emails produced by the County in response to the Request show that Mr. Johnson represents the interests of Bar X and Lake Vista Farms in this Appeal:

a. Internal email from County Counsel Grant to Carol Huchingson discussing the Request as follows: “The requester is Brad Johnson. He is the Bar X attorney and this information is likely for that pending appeal.” (**Tab 1.**) Therefore, it is clear that Mr. Johnson never stated that he represents Mr. and Mrs. Van Pelt, and it was assumed by County Counsel that the Request was made on behalf of Mr. Johnson’s client “Bar X.”

b. The Request itself makes no reference to Mr. and Mrs. Van Pelt or the Appeal and has no relation to environmental concerns. (**Tab 2.**) Instead, the Request relates to the intention of Bar X and Lake Vista Farms to disrupt and interfere with the Sourz Project.

c. Email chain between Mr. Johnson and County Counsel Grant entitled “Bar X Ranch follow up,” wherein Mr. Johnson questions the decisions of the Planning Division concerning the “80-acre” Sourz Project in comparison to the “Lake Vista Farms Project.” Mr. Johnson asks why the Sourz Project was given EA when Lake Vista Farms and Bar X were not. Mr. Johnson goes on to write, “I would just like to understand how to get the Bar X EA out of the logjam.” Page two of the email chain makes clear that Annje Dodd of “NorthPoint” is also a consultant for Bar X, and thus, any comments from her concerning the Sourz Project have a similar intention and motivation to disrupt and interfere with the Sourz Project. (**Tab 3.**)

e. The Request for Continuance submitted by Mr. Johnson on October 8, 2021 references only “Appellant” but does not clearly state that Mr. Johnson represents Mr. and Mrs. Van Pelt. At the hearing call of the Appeal on October 19, 2021, Counsel for Applicant requested clarification from Mr. Johnson as to whether the continuance was requested on behalf of Appellants Mr. and Mrs. Van Pelt, or some other entity. Mr. Johnson did not provide a clarification, has never stated that he represents Mr. and Mrs. Van Pelt, and at all times relevant has indicated that he represents the interests of Bar X and Lake Vista Farms.

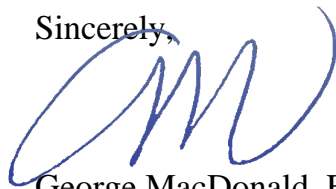
2. Bar X and Lake Vista Farms

Mr. Johnson's clients, Bar X and Lake Vista Farms, are large scale commercial cannabis operations in Lake County. Thus, the Sourz Project is a direct market competitor of these similar projects. Bar X was proposed as an 80-acre outdoor commercial cannabis operation in Middletown, California. Halo Labs, Inc. and Green Matter Holding, Inc. (hereinafter, collectively "Bar X") are the corporate entities behind the Bar X project. The "prospectus supplement" of Bar X, attached hereto as **Tab 4**, which was provided to attract investors and shareholders boasts that the Bar X project will have a maximum "capacity to grow up to 80 acres of cannabis" and that it "will be the largest cannabis cultivation operation in the region." Once the Sourz Project becomes fully operational, these representations made by Bar X to its investors and shareholders will no longer be true. Thus, Bar X, and its attorney Bradly Johnson, are highly motivated to disrupt and interfere with the Sourz Project for pure market competition and manipulation purposes having nothing to do with environmental concerns.

Conclusion

Based on the foregoing, the Board of Supervisors should view the involvement of Mr. Johnson and his clients Bar X and Lake Vista Farms in the Appeal with great scrutiny. It is clear that these parties are not motivated by environmental concerns, but rather their desire to maintain control of their market share of commercial cannabis in Lake County. Therefore, Applicant respectfully requests that the Board of Supervisors deny the Appeal and approve the unanimous decision of the Planning Commission grant UP-21-10.

Sincerely,



George MacDonal, Esq.

GM:krl
encls.

cc by email:

Katherine Schaefer
Assistant Planner
Lake County CDD
Email: katherine.schaefer@lakecountyca.gov

TAB 1

From: [Carol Huchingson](#)
To: [Carolyn Purdy](#)
Subject: Fwd: Public Records Act request / preservation request
Date: Wednesday, September 22, 2021 7:06:17 PM
Attachments: [21-9-17 LakeCo-Sourz PRA Request.pdf](#)

CP, for the log

Carol J. Huchingson, M.A.
Lake County Administrative Officer
Carol.Huchingson@LakeCountyCA.gov
707-263-2580 (phone)
707-263-1012 (fax)

Dedicated to strengthening our workforce!

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Begin forwarded message:

From: Anita Grant
Date: September 22, 2021 at 3:59:20 PM PDT
To: Carol Huchingson
Subject: FW: Public Records Act request / preservation request

When this came in, I focused on the nature of the requests. The requester is Brad Johnson. He is the Bar X attorney and this information is likely for that pending appeal. Lloyd will respond.

From: Brad Johnson [<mailto:bjohnson@hthjlaw.com>]
Sent: Friday, September 17, 2021 5:09 PM
To: Carol Huchingson ; Carolyn Purdy
Cc: Anita Grant
Subject: [EXTERNAL] Public Records Act request / preservation request

Ms. Huchingson and Ms. Purdy:

Please find attached a request for public records under the Public Records Act, and a request to preserve records.

Please let me know if you have any questions regarding the scope of the requests.

Thanks very much,

Brad Johnson
BRADLEY D. JOHNSON, ESQ.
HARRISON TEMBLADOR HUNGERFORD & JOHNSON
MINING LAND USE NATURAL RESOURCES

TAB 2

September 17, 2021

Ms. Carol Huchingson, Interim Director
Lake County Community Development Department
255 N. Forbes Street, Third Floor, Rm 323
Lakeport, CA 95453

[VIA E-MAIL TO CAROL.HUCHINGSON@LAKECOUNTYCA.GOV]

Ms. Carolyn Purdy, Clerk
Lake County Board of Supervisors
255 N. Forbes Street, First Floor
Lakeport, CA 95453

[VIA EMAIL TO CAROLYN.PURDY@LAKECOUNTYCA.GOV]

Re: Public Records Act Request and Records Preservation Request

This letter constitutes a request pursuant to California Government Code section 6250 *et seq.* for access to certain public records in the possession of Lake County, including the Community Development Department, the Planning Commission, and the Board of Supervisors, as specified below. This letter also constitutes a records preservation request in anticipation of future litigation.

Definitions

1. “**County**” means the County of Lake, including its Board of Supervisors, Planning Commission, departments and divisions, and its executives, counsel, staff, and agents.
2. “**Writings**” means any handwriting, typewriting, printing, photostating, photographing, photocopying, transmitting by electronic mail or facsimile, and every other means of recording upon any tangible thing any form of communication or representation, including letters, words, pictures, sounds, or symbols, or combinations thereof, and any record thereby created, regardless of the manner in which the record has been stored, which is now or was at any time in the actual or constructive possession, custody or control of the County, and includes but is not limited to original writings and any non-identical copies as defined in California Evidence Code section 250. “Writings” as used herein expressly includes all communications, including communications transmitted via County and private email systems, text messages, and voicemails.

3. **“Project”** means the Sourz High Valley Ranch (SourzHVR) Project located at 11650 High Valley Road in Clearlake Oaks, CA 95423, and identified as Assessor’s Parcel Numbers 006-004-07, 006-004-24, 006-004-25, 006-004-06, 006-002-04, 006-002-09, and 006-009-36, and which received Early Activation authorization from County Staff on June 7, 2021 as EA 21-10 and approval from the Lake County Planning Commission on July 22, 2021 as Major Use Permit UP 21-10 and Initial Study/Mitigated Negative Declaration IS 21-10.
4. **“Project Applicant”** means SourzHVR Inc, Elli Hageol, and Avi Pollack, and its/their partners, employees, agents, and representatives.

Subject to the definitions above, we request the following materials:

1. Any and all **Writings** (including without limitation all email, text messages, internal correspondence, memorandum, notes and analysis) received by or transmitted to the **County** regarding or relating to the **Project** or the **Project Applicant** from third parties including but not limited to:
 - a. The **Project Applicant**;
 - b. Thomas Armstrong;
 - c. Mary Draper;
 - d. Kimley Horn, including Brad Stoneman, Jason Sheasley and/or Marcy Kamerath; and
 - e. any other member of the public, private organizations, government agencies, non-governmental agencies.
2. Any and all **Writings** (including without limitation all email, text messages, internal correspondence, memorandum, notes and analysis) regarding or relating to the **Project** or the **Project Applicant** transmitted by the **County** to third parties including but not limited to:
 - a. The **Project Applicant**;
 - b. Thomas Armstrong;
 - c. Mary Draper;
 - d. Kimley Horn, including Brad Stoneman, Jason Sheasley and/or Marcy Kamerath; and
 - e. any other member of the public, private organizations, government agencies, non-governmental agencies.

3. Any and all **Writings** (including without limitation all emails, text messages, internal correspondence, memorandum, notes, internal guidance, and analysis) produced, drafted, generated regarding or relating to the **Project** or the **Project Applicant**, and created, transmitted, or received by the County, including but not limited to:
- a. Toccara Thomas;
 - b. Scott De Leon;
 - c. Katherine Schaeffer;
 - d. Susan Parker;
 - e. Carol Huchingson,
 - f. Andrew Williams;
 - g. Tod Elliott
 - h. Kerrian Marriott;
 - i. Mary Claybon;
 - j. Johanna DeLong;
 - k. All Planning Commissioners;
 - l. County Counsel;
 - m. Supervisor Bruno Sabatier; and
 - n. Supervisor EJ Crandall.

Further, as noted above, this letter constitutes a request to preserve records and electronically-stored information (“ESI”) in anticipation of potential future litigation. The subject and scope of the potential litigation include the **County’s** approval of the **Project** and communications with the **Project Applicant** and others regarding the **Project**. The County is hereby placed on notice to preserve all **Writings** and ESI and to not allow the deletion of any **Writings** and ESI, including text messages and emails, relevant to the potential litigation.

* * *

We appreciate the County’s cooperation in responding to the above requests. If you have any questions or would like clarification with respect to any of these requests, please do not hesitate to contact me at (916) 382-4377 or by email at bjohnson@hthjlaw.com.

Very truly yours,
HARRISON, TEMBLADOR, HUNGERFORD & JOHNSON

By 
Bradley Johnson

cc: Client
Anita E. Grant, Esq., County Counsel

TAB 3

Anita Grant

From: Anita Grant
Sent: Thursday, July 8, 2021 5:40 PM
To: 'Brad Johnson'
Subject: RE: Bar X Ranch follow up

I was involved in meetings for most of the day so didn't see the PC meeting.
I'm working on getting some information out to you regarding your project status and what clarification is needed, etc.

From: Brad Johnson [mailto:bjohnson@hthjlaw.com]
Sent: Thursday, July 8, 2021 3:35 PM
To: Anita Grant <Anita.Grant@lakecountyca.gov>
Subject: [EXTERNAL] Re: Bar X Ranch follow up

Hi Anita, just following up with you on this.

You may have seen that the PC punted on the 80-acre project today due to its many missing pieces. Also interesting to see that the Planning Department did not revoke their EA even though the applicant conducted extensive grading, the very same issue that caused the Department to revoke the EA for the Lake Vista Farms project. Why the different treatment?

Anyway, I would just like to understand how to get the Bar X EA out of the logjam.

Thanks,

Brad
916-704-6393

From: Anita Grant <Anita.Grant@lakecountyca.gov>
Date: Wednesday, July 7, 2021 at 8:25 PM
To: Brad Johnson <bjohnson@hthjlaw.com>
Subject: RE: Bar X Ranch follow up

Thanks for the information Brad.
I'll get back to you as soon as possible.
Anita

From: Brad Johnson [mailto:bjohnson@hthjlaw.com]
Sent: Wednesday, July 7, 2021 6:20 PM
To: Anita Grant <Anita.Grant@lakecountyca.gov>
Subject: [EXTERNAL] Bar X Ranch follow up

Anita, thanks again for speaking with me this afternoon. A few data points and clarifications:

1. Annje Dodd / NorthPoint is working for the applicant on this, not the County. She has worked for the County on other projects, so that was my mistake.
2. The staff report has not been written yet.

3. AB 52 – notification sent out 12/18/2020; Middletown Rancheria responded on 1/4/2021. Bar X and the Rancheria have finalized a Cultural Resources Monitoring Agreement, and the signed Agreement has been sent to Eric (and is attached here). No other tribes requested consultation. AB 52 docs attached above.
4. The IS/MND was circulated to State Clearinghouse on 6/4/21. Circulation concludes tomorrow 7/8/21. CEQA filings attached above.
5. The applicant has provided letters of support from the neighbors closest to the project.
6. Eric Porter indicated by email dated June 15 to Richard Knoll (another of the applicant's consultants) that the EA would be issued on June 20 if he is able to get it cleared by Management, and that Eric's recommendation would be to approve the EA.
7. Eric Porter told Annje Dodd late last week that there were some "additional clarifications" needed before the EA could be issued, but staff has not communicated to these items to us by phone or in writing.

I appreciate your attention and help in getting this cleared up.

Regards,

Brad

BRADLEY B. JOHNSON, ESQ.
HARRISON TEMBLADOR HUNGERFORD & JOHNSON
MINING LAND USE NATURAL RESOURCES

2801 T STREET
SACRAMENTO, CA 95816
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BJOHNSON@HTHJLAW.COM • WWW.HTHJLAW.COM

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TAB 4



Halo and Green Matter Purchase Bar X Ranch to Establish the Largest Cannabis Grow in the Northern California and Southern Oregon

This news release constitutes a “designated news release” for the purposes of the Company’s prospectus supplement dated September 16, 2020 to its short form base shelf prospectus dated September 2, 2020.

*Not for Distribution to U.S. Newswire Servicers or For Dissemination in the United States
All figures in USD unless stated otherwise*



Encompassing 1,600 deeded acres (647 hectares), the Bar X Ranch boasts clean air quality and abundant natural resources--specifically water, arable flat land and good soil. (Photo: Business Wire)

September 26, 2020 01:54 PM Eastern Daylight Time

TORONTO--([BUSINESS WIRE](#))--Halo Labs Inc. ("**Halo**" or the "**Company**") (NEO: HALO, OTCQX: AGEEF, Germany: A9KN) is pleased to announce that its wholly owned subsidiary PSG Coastal Holdings, LLC ("**PSG**") together with Green Matter Holding, Inc ("**GMH**") founded a real estate holding company on August 18, 2020 each with 50% ownership. The newly created company, Lake County Natural Health LLC ("**LCNH**"), completed the purchase of the Bar X Ranch in Lake County, California from an unrelated party.

Halo's partner, GMH is the parent company of Humboldt Standard, a Humboldt-based, sustainable company, currently cultivating twenty-four acres of licensed outdoor cannabis in Northern California, manufacturing concentrates in Oakland, and distributing award-winning strains throughout the California market.

Encompassing 1,600 acres (647 hectares), the Bar X Ranch boasts clean air quality and abundant natural resources in particular water, arable flat land and good soil. The property address is 20333 S. State Highway 29, Middletown, Lake County, CA. It includes two houses, two barns and ample power for the intended grow operations. Prior to the purchase, LCNH determined that the farm has the capacity to grow up to 80 acres (32 hectares) of cannabis. When Bar-X ranch is fully operational, it will be the largest cannabis cultivation operation in the region¹.

LCNH plans to immediately commence the buildout of Bar X Ranch, with a target outdoor grow of at least 60 acres (24 hectares), employing sustainable and organic practices, and with future plans for up to 10 acres (4 hectares) of greenhouses. Early activation approval from Lake County has already been initiated and is expected over the next 90

ninety days.

LCNH is planning for two full grow cycles per calendar year starting in early 2021. With planting in March and June, we can expect harvests in late May/early June and late September/early October. For both harvests, the Company intends to plant GMH's genetics, mainly derived from tissue cultures, as well as additional genetics owned by Halo and other Halo-licensed partners (i.e. OG DNA Genetics and Zkittlez).

At planned size of 60 acres (24 hectares) LCNH estimates an annual harvest of up to 240,000 pounds (108,862 kilograms) of dried and cured cannabis at up to 4,000 pounds per acre (4,483 kilograms per 10,000 square meters). The current average wholesale price of outdoor cannabis in the U.S. is \$835 per pound (\$1837 per kilogram)². LCNH anticipates that the cannabis grown at the Bar X Ranch should be sold at even higher prices, given the historical sale prices of GMH cannabis and GMH's affiliations with Connected Cannabis.

Kiran Sidhu, Co-Founder and CEO of Halo explains the value of the purchase:

We are a company where the "Think Big" genome is in our DNA. The LCNH partnership with GMH at the Bar X Ranch represents another evolutionary step in our history. When added to Halo's cultivation portfolio that includes a planned large indoor grow in Ukiah, California in partnership with Zkittlez ("UVI"), the Company will no longer be tied to third-party cannabis cultivators in California. The Bar X Ranch partnership plays an important role in achieving Halo's strategy of verticalization in California. Halo is partnering with GMH, one of the most highly-respected and profitable growers in California. GMH's state-of-the-art cultivation skill set will add significant value to Halo's other cultivation operations at East Evans Creek in Oregon, UVI in California and Bophelo in Lesotho.

Jedediah Morris, Co-Founder of Green Matter praises the partnership with Halo:

Halo's ability to quickly arrange both mortgages (up to \$7.1 million) for LCNH, combined with their strengths in regulatory, compliance and finance, complement GMH's strengths as experienced California cannabis cultivators. GMH is well-versed in the local area and the growing conditions in Lake County, CA. GMH comes to the table with a proprietary library of cannabis genetics, including well-known, award-winning, market-tested strains. We are looking forward to growing and distributing cannabis in partnership with Halo at an even larger scale. Bar X Ranch is three times the size of our current portfolio of California cultivation sites.

Halo is in the process of developing the largest cannabis grow on the African continent to supply the burgeoning UK, EU and Asian markets with Bophelo. The Company anticipates Bar X Ranch will play a similar role in the California market. Halo believes that LCNH will supply continuous, consistent, diverse and ample quantities of flower, pre-rolls and concentrates to a growing list of dispensary clients, as well as the dispensaries that Halo intends to operate.

Transaction Details

-- The purchase price of \$6,000,000 and closing costs, were financed as follows:

- A down payment made by LCNH of \$500,000, which was contributed evenly between Halo and GMH as 50/50 partners;
- A first mortgage of \$2,100,000 from a real estate fund. The general terms of this loan include interest only at an annual rate of 8.75%, a 36-month term, and a 1st deed of trust as collateral; and,
- A second mortgage of up to \$5,000,000 (the "**Second Mortgage**"), of which \$4,550,000 has already been funded and closed, from a syndication of lenders (the "**Lending Syndicate**"). The general terms of this Second Mortgage include interest only at an annual rate of 15% (half paid current monthly and half paid at maturity), a twenty-four month term with two six month extensions, and a second deed of trust as collateral.

Additionally, the Lending Syndicate shall be due, at maturity of the Second Mortgage, a success fee equivalent to the amount borrowed under the Second Mortgage, subject to the successful approval and receipt by LCNH of a minimum of 100 licenses issued by the BCC.

- \$1,050,000 of the proceeds from the Second Mortgage are expected to be used as additional working capital to begin pre-construction work such as licensing, permitting, and infrastructure.

One of the lenders (the "**Syndicate Lender**") in the Lending Syndicate is the same lender under Halo's second amended and restated promissory note announced on August 26, 2020 (the "**Second A&R Promissory Note**"). The Syndicate Lender has contributed \$2,000,000 in respect of the funds loaned under the Second Mortgage (the "**Contributed Amount**"). Halo has agreed that the Syndicate Lender may, up to December 31, 2020, require Halo to purchase all or a portion of the Contributed Amount (including all rights and benefits as lender under the Second Mortgage) and that the purchase price shall be equal to the applicable amount of the Contributed Amount and funded through proceeds from the Second A&R Promissory Note.

The Second Mortgage constitutes a "related party transaction" within the meaning of Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions ("**MI 61-101**") as an independent director of Halo is a member of the Lending Syndicate and has contributed \$50,000 in respect of the funds loaned under the Second Mortgage. The Second Mortgage is exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 pursuant to section 5.5(a) and section 5.7(1)(a) as the fair market value of the participation by the director of the Company is not more than 25% of the Company's market capitalization. The Company did not file a material change report in respect of the related-party transaction at least 21 days prior to the closing of the Second Mortgage, which the Company deems reasonable in the circumstances so that LCNH can avail itself of the proceeds of the Second Mortgage in an expeditious manner.

About Green Matter

As the parent company of Humboldt Standard, GMH has an enormous breadth of cultivation experience and owns a valuable library of cannabis genetics. Humboldt Standard maintains a large following on Instagram (22,000 followers), and is well-known in Northern California as an industry leader in the cannabis space. After several years of operating a caregiver/coop model, in 2017 Humboldt Standard launched what was then the largest, licensed cultivation operation in California, known as The Mill, in Humboldt County, that totaled an unprecedented 8.5 acres.

Humboldt Standard features award-winning strains that place it among the best-known and most recognized brands in the California market. GMH continues to grow each year, using the finest organic ingredients and artisanal practices to produce the look, taste, and THC content of the top-shelf cannabis for which they are known. GMH currently farms twenty-four acres of licensed cannabis operations, spread out over five separate farms in Northern California, that have been and will be harvested in 2020.

As an independent, family-run, Humboldt-based business, GMH maintains vital roots in the community, while accessing the broader California market through one of the largest distribution centers in the state, a 34,000 sq. ft. facility with 172,000 cubic feet of refrigerated space. There is no other facility like it in all of California. GMH's expertise extends beyond growing, drying, trimming, harvesting and packaging; it also operates both type 6 (non-volatile for distillate) and type 7 (volatile for wax and hash) extraction facilities.

GMH (and Humboldt Standard) founders, Jed Morris and Josiah Spohn, are also part-owners of Connected Cannabis, a highly-respected leader in the cannabis space (with 162,000 Instagram followers), that competes with Cookies in a rare echelon of companies known for their quality strains. This relationship provides GMH a large customer in Connected Cannabis, further insuring the relevance and longevity of the company in California and worldwide. GMH also engages in international operations through its subsidiary GMH, which is currently engaged in the ambitious initiatives to found and operate the first legal hemp farms in Thailand, Malaysia and other countries; Green Matter Global Thailand S.A. is poised to plant the first legal hemp and medicinal THC farms in Thailand in 2021.

About Halo

Halo is a leading, vertically-integrated cannabis company that cultivates, extracts, manufactures and distributes quality cannabis flower, oils, and concentrates, and has sold approximately six million grams of oils and concentrates since inception. Halo continues to scale efficiently, partnering with trustworthy leaders in the industry, who value their operational expertise in bringing top-tier products to market. Current growth includes expansion in key markets in the United States and Africa, with planned geographic expansion into U.K. and Canadian markets. With a consumer-centric focus, Halo markets value-driven, branded, and private-label products across multiple product categories. The Company also has acquired a range software development assets, such as the technology platforms CannPOS, Cannalift, and more recently signed a deal to acquire CannaFeels. Halo also owns the inhalation technology Acudab.

Halo is led by a strong, diverse and innovative management team, with deep industry knowledge and blue-chip experience. The Company is currently operating in the United States in California, Oregon, and Nevada. Internationally, the Company is currently cultivating cannabis at Bophelo Bioscience & Wellness (Pty) Ltd, in Lesotho under a 200-hectare license and is planning importation and distribution of cannabis based products for medical use into the United Kingdom via Canmart.

Cautionary Note Regarding Forward-Looking Information and Statements

This press release contains certain "forward-looking information" within the meaning of applicable Canadian securities legislation and may also contain statements that may constitute "forward-looking statements" within the meaning of the safe harbor provisions of the United States Private Securities Litigation Reform Act of 1995. Such forward-looking information and forward-looking statements are not representative of historical facts or information or current condition, but instead represent only Halo's beliefs regarding future events, plans or objectives, many of which, by their nature, are inherently uncertain and outside of Halo's control. Generally, such forward-looking information or forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or may contain statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "will continue", "will occur" or "will be achieved". The forward-looking information and forward-looking statements contained herein may include, but is not limited to, statements regarding the acquisition, permitting and development of Bar X Ranch and the cultivation and distribution of cannabis cultivated at Bar X Ranch.

By identifying such information and statements in this manner, Halo is alerting the reader that such information and statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results to be materially different from those expressed or implied by such information and statements. In addition, in connection with the forward-looking information and forward-looking statements contained in this press release, Halo has made certain assumptions. Although Halo believes that the assumptions and factors used in preparing, and the expectations contained in, the forward-looking information and statements are reasonable, undue reliance should not be placed on such information and statements, and no assurance or guarantee can be given that such forward-looking information and statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information and statements. Among others, the key factors that could cause actual results to differ materially from those projected in the forward-looking information and statements are the following: changes in general economic, business and political conditions, including changes in the financial markets; and the other risks disclosed in the Company's annual information form dated April 16, 2020 and available on the Company's profile at www.sedar.com. Should one or more of these risks, uncertainties or other factors materialize, or should assumptions underlying the forward-looking information or statements prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, believed, estimated or expected.

The forward-looking information and forward-looking statements contained in this press release are made as of the date of this press release, and Halo does not undertake to update any forward-looking information and/or forward-looking statements that are contained or referenced herein, except in accordance with applicable securities laws. All subsequent written and oral forward-looking information and statements attributable to Halo or persons acting on its behalf is expressly qualified in its entirety by this notice.

Third Party Information

This press release includes market and industry data that has been obtained from third party sources, including industry publications. The Company believes that the industry data is accurate and that its estimates and assumptions are reasonable, but there is no assurance as to the accuracy or completeness of this data. Third party sources generally state that the information contained therein has been obtained from sources believed to be reliable, but there is no assurance as to the accuracy or completeness of included information. Although the data is believed to be reliable, the Company has not independently verified any of the data from third party sources referred to in this press release or ascertained the underlying economic assumptions relied upon by such sources.

¹ Based on Halo's and GMH analysis of publicly available information, including information from, but not limited to, the Multiple Listing Service, the California Bureau of Cannabis Control ("**BCC**") and the Oregon Liquor Control Commission license data.

² Based on the U.S. Cannabis Spot Index as of the week ending September 18, 2020 provided by CannabisBenchmarks.com.

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