

Lakeside Minerals Inc. Announces \$2.5 Million Unit Private Placement

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TORONTO, Apr 10, 2017 - [Lakeside Minerals Inc.](#) (the "Company" or "Lakeside") (NEX:LAK.H) is pleased to announce that it is undertaking a brokered private placement offering (the "Offering") of up to 2,500 units (the "Units") to raise gross proceeds of up to CAD \$2,500,000. The Offering is in accordance with the previously announced Proposed Transaction (the "Proposed Transaction") with Nutritional High International Inc. ("Nutritional High") regarding the building of cannabis cultivation facilities in Nevada and Colorado (please see press release dated February 28, 2017). The Offering was upsized from the previously announced principal amount of CAD \$2,000,000.

Each Unit will have an issue price of \$1,000 (the "Issue Price") and will consist of (i) \$1,000 principal amount of 12.0% convertible secured redeemable debentures (the "Debentures"); and (ii) 4,000 warrants ("Warrants"), exercisable into common shares in the capital of the Company ("Common Shares") at a price of \$0.325 for a period of 24 months. The Debentures will be issued pursuant to the terms of a debenture indenture (the "Indenture") to be entered into between the Company and a debenture trustee (the "Debenture Trustee"). The Company intends to close the Offering (the "Closing") on or before April 26, 2017 (the "Closing Date"). The Debentures will rank pari passu and will mature (the "Maturity Date") twenty-four months from the Closing Date. The Debentures will bear interest at a rate of 12.0% per annum, payable semi-annually in advance, with the first interest payment due at the closing of the Offering and paid in Common Shares in the Company at an issue price of C\$0.25 per Common Share.

The Debentures will be convertible at the option of the holder at any time prior to the close of business on the business day immediately preceding the Maturity Date at a conversion price of \$0.25 per Common Share, subject to adjustment in respect of, inter alia, share consolidations, share splits, spinoff events, rights issues and reorganizations and otherwise in accordance with the terms of the Indenture. If during the term of the Debentures, the Company undertakes a financing at a price of less than C\$0.25 per Common Share, the Conversion Price of the Debentures will be reduced to that financing price, subject to compliance with applicable stock exchange and securities regulatory requirements. The Company is contemplating conducting a follow-on equity offering ("Equity Offering") to raise minimum gross proceeds of \$750,000 and to be completed within 6 months of the Closing at a minimum 20% premium to the Conversion Price ("Equity Offering Price"). The pricing for the Equity Offering has not yet been determined and will be priced after the closing of the Offering in the context of market conditions at such time. If the Equity Offering Price is set at a price which is lower than C\$0.30 per Common Share, the Conversion Price shall be adjusted, subject to compliance with applicable stock exchange and securities regulatory requirements, to ensure that it is at least a 20% discount to the Equity Offering Price.

In addition, if during the term of the Debentures, the Company issues warrants with an exercise price below C\$0.325 the Company will, subject to compliance with applicable stock exchange and securities regulatory requirements, adjust the exercise price of the Warrants to equal such lower exercise price.

The Offering will be completed in connection with the proposed acquisition (the "Acquisition") by the Company of: (i) a provisional cultivation license (the "Cultivation License") issued by the Nevada Department of Health and Human Services, Division of Public and Behavioral Health for the cultivation of marijuana and operation of a "medical marijuana establishment" (as defined in NV Rev Stat Section 453A.116 (2015) to be acquired from Nutritional High for the sum of US\$500,000; and (ii) a 50% interest in premises located in Henderson, Nevada to which a Cultivation Licence will be tied, or such other property located in Nevada as may be determined by the Company (the "Property") which is estimated to cost US\$1,100,000.

On the closing of the Offering, the Canadian dollar equivalent amount of US\$1,600,000 (the "Escrowed Funds") will be paid to an escrow agent (the "Escrow Agent") to be held in escrow pursuant to the terms of an escrow agreement. The Escrowed Funds will be released to the Company upon satisfying certain escrow conditions, which include the completion of the Acquisition and the registration of a first lien security interest over the Property in favour of the holders of the Debentures. In order to facilitate the closing of the Acquisition, the Escrowed Funds may be released to a title agency company in the United States to be held in trust prior to the completion of the escrow release conditions pending completion of the Acquisition. In the event the Acquisition is not completed within 9 months of Closing of the Offering, the Escrowed Funds together with all accrued interest thereon, shall be repaid to holders of the Debentures on a pro rata basis as a mandatory prepayment of principal and accrued but unpaid interest.

On the completion of the Acquisition, the Company will register a first ranking security interest over the Company's interest in the Property in favour of the Debenture Trustee on behalf of the holders of the Debentures, subject to permitted encumbrances as set out in the Indenture. Upon completion of the acquisition of the Cultivation License, the Company will grant a security interest in the Cultivation License (if permitted by Nevada law) or such other security which may be permitted under Nevada law.

The Company has engaged Foundation Markets Inc. ("FMI") to lead the Offering on a best efforts basis. FMI will be paid a cash amount equal to 8.0% of the gross proceeds of the Units sold pursuant to the Offering, and a number of common share purchase warrants ("Finder's Warrants") equal to 8.0% of the Common Shares potentially issuable upon the conversion of the aggregate principal amount of Debentures sold pursuant to the Offering (assuming all Debentures are converted). The Finder's Fee and Finder's Warrants shall be paid and delivered on completion of the escrow release conditions. Each Finder's Warrant shall be exercisable into Common Shares at an exercise price of C\$0.25 at any time prior to the Maturity Date.

All securities issued in connection with the Offering will be subject to a four-month hold from the date of issuance in accordance with applicable securities laws. The closing of the Offering is subject to receipt of approvals of the TSX Venture Exchange, or other applicable stock exchanges and securities regulatory authorities.

Intention to De-List from the TSXV and to Seek Listing on the CSE

The Company intends to take steps to de-list from the TSX Venture Exchange ("TSXV") prior to the completion of the Offering. To date, the Company has secured written consents from approximately 51.02% of disinterested shareholders of the Company. De-listing is subject to TSXV approval pursuant to the policies of the TSXV.

After completion of the Offering and in conjunction with the completion of the Proposed Transaction with Nutritional High, the Company intends to apply to list ("Listing") its Common Shares on the Canadian Securities Exchange ("CSE"). Listing is subject to CSE approval and meeting listing requirements. The Company is in the process of preparing the requisite documents for submission to the CSE and will seek written consent from the majority of disinterested shareholders for this proposed change of business. There is no assurance the CSE will provide conditional or final approval of the Company's application to list the Common Shares on the CSE.

About Lakeside Minerals Inc.

Lakeside is currently a NEX listed issuer and was formerly listed as a Tier 2 Mining Issuer pursuant to the policies of the TSXV. Management and board have considered potential strategies to maximize shareholder value in both the cannabis and mineral exploration sectors, including strategic alternatives relating to the Company's Launay project and different facets of the United States cannabis industry with a specific focus on plant propagation and growing as retail segments of the value chain. With this new announcement, the Company intends to transition to a marijuana issuer, subject to necessary regulatory and shareholder approvals, with a focus on building grows that rely heavily on technology processes and data collection and analysis.

NEITHER THE TSX VENTURE EXCHANGE NOR ITS REGULATION SERVICES PROVIDER (AS THAT TERM IS DEFINED IN POLICIES OF THE TSX VENTURE EXCHANGE) ACCEPTS RESPONSIBILITY FOR THE ADEQUACY OR ACCURACY OF THIS RELEASE.

This news release may contain forward-looking statements and information based on current expectations. These statements should not be read as guarantees of future performance or results. Such statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from those implied by such statements. Such statements include the ability of the Company to complete the Proposed Transaction with Nutritional High, to complete the Offering, including obtaining necessary consents to change its business, the ability of the Company to de-list its common shares from the TSXV and to list its common shares on the CSE, and otherwise acquiring a cannabis cultivation licence, completing the acquisition of the applicable real estate and raising sufficient financing to complete the Company's business strategy. There is no certainty that any of these events will occur. Although such statements are based on management's reasonable assumptions, there can be no assurance that such assumptions will prove to be correct. We assume no responsibility to update or revise them to reflect new events or circumstances.

Company's securities have not been registered under the U.S. Securities Act of 1933, as amended (the "U.S.

Securities Act"), or applicable state securities laws, and may not be offered or sold to, or for the account or benefit of, persons in the United States or "U.S. Persons", as such term is defined in Regulation S under the U.S. Securities Act, absent registration or an applicable exemption from such registration requirements. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in the United States or any jurisdiction in which such offer, solicitation or sale would be unlawful.

Additionally, there are known and unknown risk factors which could cause the Company's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information contained herein. All forward-looking information herein is qualified in its entirety by this cautionary statement, and the Company disclaims any obligation to revise or update any such forward- looking information or to publicly announce the result of any revisions to any of the forward- looking information contained herein to reflect future results, events or developments, except as required by applicable securities laws.

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