



STATEHOUSE

HOLDINGS

StateHouse Joins The Cannabis Research Coalition

March 8, 2023

Collaborative research partnership advances the exploration of the cannabis plant

SAN DIEGO and TORONTO, March 08, 2023 – [StateHouse Holdings Inc.](#) ("StateHouse" or the "Company") (CSE: STHZ) (OTCQX: STHZF), a California-focused, vertically integrated cannabis enterprise, today joined the [Cannabis Research Coalition](#) ("CRC"), a collaborative research partnership between The Hemp Mine and Clemson University. The partnership will address cannabis cultivation and postharvest challenges.

The CRC partners with cannabis industry stakeholders to advance the exploration of the cannabis plant and implement science-based research to develop the techniques required to create a sustainable, efficient and profitable industry. Using a cooperative research approach, the coalition is able to provide practical answers to the questions that limit the success of the cannabis industry.

StateHouse expects to benefit from the coalition's cooperative research model because it will provide the Company's cultivation teams with the tools needed to stay competitive while further enhancing quality. Additionally, StateHouse will have access to exclusive offers from allied trade members; obtain SOPs for production; and participate in monthly and annual conferences and virtual meetings regarding research updates.

"It thrills us to partner with StateHouse, a science-based, California-focused operator with an impressive commercial cultivation facility," said Dr. Allison Justice, founder and CEO of the CRC. "This type of collaboration is exactly what the cannabis industry needs to improve in the areas of quality, efficiency, and sustainability. We look forward to working with Travis Higginbotham, StateHouse's VP of Cultivation, and his team."

"We are eager to support the efforts of both Clemson University and The Hemp Mine through participation in the CRC," said Mr. Higginbotham. "The Clemson Flowering Physiology laboratory, led by Dr. Jim Faust, focuses on very relevant and applied research for multiple other plant-touching markets, and in collaboration with Dr. Justice and The Hemp Mine, will enhance its position as an innovative and science-based thought leader in cannabis research. To remain competitive as growers, we must partner with research institutions and companies who are focused on continuous improvement and constantly challenging what we think we know about this crop."

About StateHouse Holdings Inc.

StateHouse, a vertically integrated enterprise with cannabis licenses covering retail, major brands, distribution, cultivation, nursery and manufacturing, is one of the oldest and most respected cannabis companies in California. Founded in 2006, its predecessor company Harborside was awarded one of the first six medical cannabis licenses granted in the United States. Today, the Company operates 14 dispensaries covering Northern and Southern California and one in Oregon, distribution facilities in San Jose and Los Angeles, California and integrated cultivation/production facilities in Salinas and Greenfield, California. StateHouse is a publicly listed company, currently trading on the Canadian Securities Exchange ("CSE") under the ticker symbol "STHZ" and the OTCQX under the ticker symbol "STHZF". The Company continues to play an instrumental role in making cannabis safe and accessible to a broad and diverse community of California and Oregon consumers.

About The Hemp Mine, LLC

The Hemp Mine (THM) is a vertically integrated, family-owned and operated hemp company headquartered in South Carolina. THM manages 30 acres of field production, a critical CO₂ extraction and THC remediation facility, and a head office combined with a 10,000 ft² manufacturing facility and state of the art R&D and breeding chambers. Since formation, THM has acted as a contract research operation helping many new products be trialed and introduced into the market. THM sales products across the South East and online stores, and has nationwide distribution of exclusive Type 1 & 2 genetics. THM has a breeding program that introduces top-performing genetics as clones in the form of stage III tissue culture, unrooted cuttings, and rooted cuttings (liners). These introductions are available through regional greenhouse production partners. The Hemp Mine prides itself on delivering a science-based and data-driven perspective to the hemp industry. www.thehempmine.com

About the Flowering Physiology Laboratory at Clemson University

Dr. Jim Faust has conducted research for the floriculture industry for over 30 years. His research has always focused on identifying practical solutions for the most important production and postharvest challenges facing greenhouse growers. He is a founding member of the Floriculture Research Alliance, which is the prototype for the CRC and which has successfully generated cutting-edge research to greenhouse growers for the last 17 years. Dr. Faust's research ranges from environmental (temperature, light, and humidity) management, plant nutrition, cultural practices, plant growth regulation, and postharvest performance. He has worked extensively with U.S. growers, unrooted-cutting suppliers in Central America, and cut-flower

growers in South America. Two years ago, he initiated a cannabis research program at Clemson University focused on mother plant management, propagation methodology, flowering (photoperiod responses), and postharvest drying and curing. jfaust@clemson.edu

Cautionary Note Regarding Forward-Looking Information

This news release contains "forward-looking information" and "forward-looking statements" (collectively, "forward-looking statements") within the meaning of the applicable Canadian and United States securities legislation. To the extent any forward-looking information in this news release constitutes "financial outlooks" or "future-oriented financial information" within the meaning of applicable Canadian securities laws, the reader is cautioned not to place undue reliance on such information. All statements, other than statements of historical fact, are forward-looking statements and are based on expectations, estimates, and projections as at the date of this news release. Any statement that involves discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, future events or performance (often but not always using phrases such as "expects", or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "budget", "scheduled", "forecasts", "estimates", "believes" or "intends" or variations of such words and phrases or stating that certain actions, events or results "may" or "could", "would", "might" or "will" be taken to occur or be achieved) are not statements of historical fact and may be forward-looking statements. In this news release, forward-looking statements include, among other things, statements relating to the potential improved quality, efficiency, and sustainability of cultivation products and methods, and the potential benefits to StateHouse from the coalition's cooperative research model.

These forward-looking statements are based on reasonable assumptions and estimates of management of the Company at the time such statements were made. Actual future results may differ materially as forward-looking statements involve known and unknown risks, uncertainties, and other factors which may cause the actual results, performance, or achievements of the Company to materially differ from any future results, performance, or achievements expressed or implied by such forward-looking statements. Such factors, among other things, include: implications of the COVID-19 pandemic on the Company's operations; fluctuations in general macroeconomic conditions; fluctuations in securities markets; expectations regarding the size of the cannabis markets where the Company operates; changing consumer habits; the ability of the Company to successfully achieve its business objectives; plans for expansion and acquisitions; political and social uncertainties; inability to obtain adequate insurance to cover risks and hazards; employee relations; the presence of laws and regulations that may impose restrictions on cultivation, production, distribution, and sale of cannabis and cannabis-related products in the markets where the Company operates; and the risk factors set out in the Company's management's discussion and analysis for the period ended March 31, 2022 and the Company's listing statement dated May 30, 2019, which are available under the Company's profile on www.sedar.com. Although the forward-looking statements contained in this news release are based upon what management of the Company believes, or believed at the time, to be reasonable assumptions, the Company cannot assure shareholders that actual results will be consistent with such forward-looking statements, as there may be other factors that cause results not to be as anticipated, estimated or intended. Readers should not place undue reliance on the forward-looking statements and information contained in this news release. The Company assumes no obligation to update the forward-looking statements of beliefs, opinions, projections, or other factors, should they change, except as required by law.

The Company, through several of its subsidiaries, is directly involved in the manufacture, possession, use, sale, and distribution of cannabis in the recreational and medicinal cannabis marketplace in the United States. Local state laws where the Company operates permit such activities however, investors should note that there are significant legal restrictions and regulations that govern the cannabis industry in the United States. Cannabis remains a Schedule I drug under the United States Controlled Substances Act, making it illegal under federal law in the United States to, among other things, cultivate, distribute or possess cannabis in the United States. Financial transactions involving proceeds generated by, or intended to promote, cannabis-related business activities in the United States may form the basis for prosecution under applicable United States federal money laundering legislation.

While the approach to enforcement of such laws by the federal government in the United States has trended toward non-enforcement against individuals and businesses that comply with recreational and medicinal cannabis programs in states where such programs are legal, strict compliance with state laws with respect to cannabis will neither absolve the Company of liability under United States federal law, nor will it provide a defense to any federal proceeding which may be brought against the Company. The enforcement of federal laws in the United States is a significant risk to the business of the Company and any proceedings brought against the Company thereunder may adversely affect the Company's operations and financial performance.

This news release does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States. The Company's securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

The CSE has neither approved nor disapproved the contents of this news release. Neither the CSE nor its Market Regulator (as that term is defined in the policies of the CSE) accepts responsibility for the adequacy or accuracy of this release.

For the latest news, activities, and media coverage, please visit <https://www.statehouseholdings.com>, <https://shopharborside.com> and <https://urbanleaf.com> and connect with us on LinkedIn and Twitter.

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