



Team Segra

Segra attributes its success to the people within the organisation and continues to build the team to execute its vision. Several new staff members have been added recently (see below):

Zhe Choo, CFO

Zhe (pronounced 'Zee') has 13 years of progressive public accounting and finance experience and started her career in the audit and assurance group at PricewaterhouseCoopers LLP. She also served as a senior manager at Ernst & Young LLP, where she provided accounting services and advice to numerous clients on various complex accounting transactions. Prior to joining Segra, Zhe worked at a space technology company and was involved in a USD 2.4 billion acquisition and integration of the acquired entity.

Sam Woolf, Investor Relations Manager

Sam adds years of capital markets experience and knowledge to Segra's growing investor relations department. He graduated from Queen's University with a Bachelor of Science (Honours), majoring in Biology. Most recently, Sam worked at a Canadian cleantech startup as part of the team that brought the company public on the NASDAQ stock exchange.

Vasyl Zaiets, Project Manager

Vasyl brings extensive project management experience to the Segra team. He earned his master's degree in nuclear engineering from the National Technical University of Ukraine, obtained his Business Management Diploma from BCIT and currently holds a Project Management Professional (PMP) designation. Prior to joining Segra, he managed international projects for ENCO related to nuclear safety and radioactive waste management.

Jenny Bernardo, Office Manager

Jenny comes with over 10 years of customer service and administrative experience. She holds a Bachelor of Science in Chemistry from Trinity Western University. Prior to joining Segra, she spent over five years in the post-secondary education industry, where she managed more than 40 faculty members across 11 programs.

Note from the CEO



Welcome to Segra's inaugural Investor Newsletter. On behalf of the Segra team and the board of directors, I would like to thank our shareholders for their ongoing support. Since we made the decision to focus on cannabis micropropagation as a pure play business model over one year ago, Segra has established itself in the marketplace as the leader in cannabis micropropagation. I am proud of the

fantastic job our team has done to date, and the amazing client relationships that have been forged in recent months.

Segra is truly dedicated to open and transparent communication, as we know this is the way to develop loyal stakeholders. Like all aspects of our business, we aspire to continually improve our lines of communication, be it through social media, conference calls, road shows, or a phone conversation. You can expect the content of this Investor Newsletter to grow over time along with our business.

Regards,

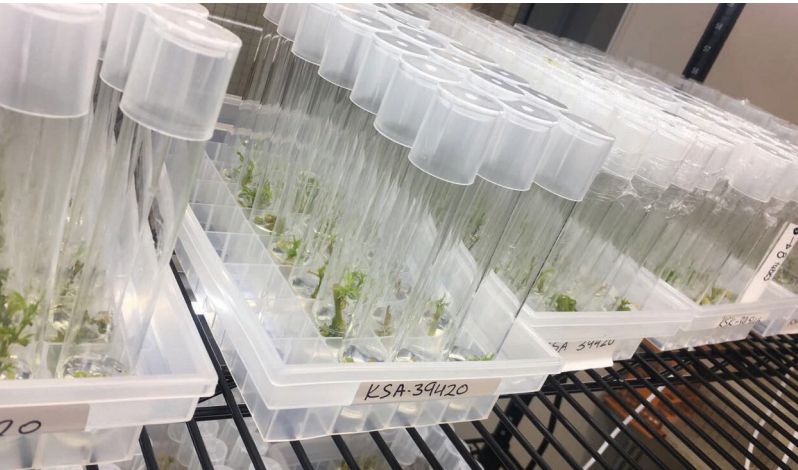
Todd McMurray, President and CEO
todd@segra-intl.com

Welcome, Supreme Cannabis Company!

On July 24th, Segra signed a services agreement with the Supreme Cannabis Company. Supreme's 342,000 square foot hybrid greenhouse facility located in Kincardine, Ontario, represents one of the most high-tech cannabis-growing environments in the world. Segra plans to establish a mini-lab at Supreme's 7ACRES facility with the goal of preparing numerous Supreme cannabis cultivars for micropropagation. The lab is anticipated to be fully operational by December 1st, 2018.



B.C. Micropropagation Facility



Segra has been working hard to find a strategic location suitable for its long-term expansion strategy. The requirements for this site include proximity to an international airport, location on the Agricultural Land Reserve, and the presence of an existing building for rapid, low-cost retrofit, so as to expedite licencing from Health Canada. On September 17th, Segra finalised the purchase of a 20-acre property located 40 minutes from Vancouver International Airport in British Columbia. The purchase marks a major milestone in Segra's business plan, significantly expanding the company's production resources and operating space while simultaneously improving operations in its Richmond molecular biology lab.

'Phase 1' consists of retrofitting existing structures to create a planned 3,280 square feet of production space and 3,000 square feet of office space. Concurrently, Segra will be building a 15,000 square foot 'Phase 2' laboratory to rapidly expand operations. The combined capacity of these facilities is designed to produce 8,000,000 plantlets per year. The Phase 1 building will act as an initiation lab to begin the intake of plants from clients and transition this plant material into tissue culture for storage and production. Plant stock will be built up to commercial levels for immediate production in the Phase 2 building. Multiple buildings will also allow for the redundant storage of genetic material, ensuring sufficient backup of valuable client plant material.

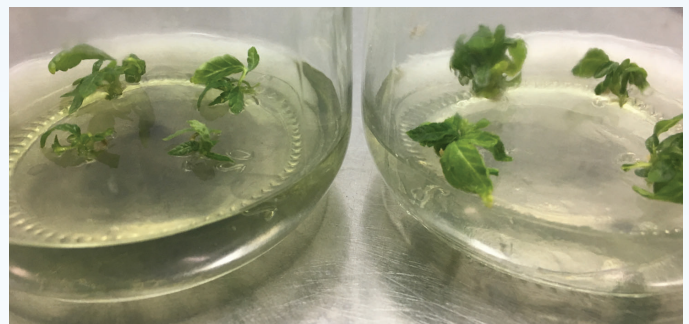
'Phase 3' is the construction of a 50,000 square foot lab, which is expected to start in Spring 2019; the lab will be designed to give Segra the capacity to produce approximately 72,000,000 plantlets per year from a single location. This will increase Segra's total designed output capacity to 80,000,000 plantlets per year by 2024.

Segra's Mini-Lab Programs

Segra currently operates mini-labs at the licensed cultivation facilities of HEXO (formerly Hydropothecary) and Agripharm. The lab at Peace Naturals (Cronos Group) is scheduled to come online in October 2018. Supreme's mini-lab will serve as Segra's fourth and final mini-lab program in Canada. All future work will be conducted at Segra's forthcoming production facility in the greater Vancouver area.

Investor Relations

In anticipation of going public, Segra is continuing to expand its investor relations program, and Sam Woolf has been hired as the company's full-time Investor Relations Manager. In addition to building an audience for the public listing and enhancing corporate outreach, Sam will be contacting current investors shortly to introduce himself. He can be reached at sam.woolf@segra-intl.com.



Fundraising and Going Public

In July, Segra successfully closed an oversubscribed private placement of \$7.2 million, bringing the total capital raised in 2018 to \$8 million. Segra will use the net proceeds of the private placement towards a micropropagation facility, as working capital, and for general corporate development. The company has signed an agency agreement with Canaccord to raise an additional \$10 million prior to Segra's public listing, with support from the cannabis legal team at Bennett Jones in Toronto.



Genetics and Molecular Biology Lab

The Segra Genetics and Molecular Biology Laboratory in Richmond, British Columbia, is now fully operational and processing cannabis DNA samples. A major focus of the laboratory is cultivar identification and tracking by genetic fingerprinting, for which validated protocols have been established. The lab is actively collecting DNA, analyzing samples and cataloging cannabis cultivar genotypes. These proprietary technologies will enable Segra to verify plant identity for micropropagation clients and establish a comprehensive strain reference library for the identification of unknown samples. A scientific publication is forthcoming on results of accuracy of reported strain names in a set of Canadian cannabis samples. Among Segra's goals is the development of a global standard technology for genetic strain identification in cannabis.

The laboratory has also developed methods for the sequencing and functional analysis of cannabis genes directly controlling plant chemotype. This service will be of crucial importance to strain breeding programs. Preliminary results from this work were recently presented at the International Cannabinoid Research Society meeting in Leiden, The Netherlands (July 2018).

In addition to plant genetics for strain identification, the laboratory has developed molecular assays for the detection and identification of plant pathogens common to cannabis. These tests allow outgoing plantlet shipments to be tested for any common commercial cannabis pathogens and certified as clean, thereby enhancing quality assurance for clients. Unlike with existing transfers of starting plant material, this assures growers that their cultivation facility will not be contaminated by incoming plants. This also simplifies operations for clients, who no longer need to quarantine incoming juvenile plants and lose valuable facility space for prolonged periods of time. In support of this endeavour, the Segra lab was recently inspected by the Canadian Food Inspection Agency (CFIA) and successfully obtained Plant Pest Containment Level 2 certification. This provides the required basis for the import and handling of the controlled plant pathogens needed for ongoing assay development and validation.



Proposed USA Operations

Major news outlets have recently published articles detailing how the United States Customs and Border Protection (USCBP) is implementing new additional screening measures designed to target non-U.S. citizens who are working or have operations or investments in the U.S. cannabis industry. For numerous individuals, this targeting has resulted in a lifetime ban from travel to the United States for allegedly aiding in and/or abetting the illicit trafficking of drugs. The professional profiles of banned individuals to date include employees, executives, investors, property owners, subcontractors, and equipment manufacturers working with cannabis companies. Segra became aware of this issue after being asked to present to the ArcView Investor Group, whose membership includes the recently banned investor Mr. Sam Znaimer. After hearing Sam's story, Segra immediately commenced due diligence to assess this new risk and how it could impact the company, employees, investors/shareholders, and any future investment the company was considering. This due diligence included interviews with Mr. Znaimer, expert immigration attorneys, company lawyers, and a senior executive with a Canadian licensed producer whose employees have been banned.

After reviewing the findings, the company's board of directors and executive team unanimously approved the following course of action: To mitigate risk and protect the company, employees, shareholders, and investors, Segra will no longer consider any business opportunities in countries that lack a federally regulated cannabis program. Because of this decision, Segra's business development

team will now work to accelerate the company's production capacity in Canada.

This was a very difficult and challenging decision for the Segra team to make. However, the company is confident that it is taking the right steps to mitigate this significant operational risk. It is worth noting that Segra's excellent reputation and first-mover status in cannabis tissue culture has generated interest from federally legal jurisdictions all over the world, and now, Segra will have the immediate resources to pursue this international business. Should the United States make cannabis federally legal, the Segra team will be ready to respond quickly with a catalogue of unique and valuable genetics, as well as a strong capital position for resource deployment.



Forward-looking information

This document includes statements containing certain "forward-looking information" within the meaning of applicable securities law ("forward-looking statements"). Forward-looking statements are frequently characterized by words such as "plan", "continue", "expect", "project", "intend", "believe", "anticipate", "estimate", "may", "will", "potential", "proposed" and other similar words, or statements that certain events or conditions "may" or "will" occur. These statements are only predictions. Various assumptions were used in drawing the conclusions or making the projections contained in the forward-looking statements throughout this document. Forward-looking statements are based on the opinions and estimates of management at the date the statements are made and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. The Company is under no obligation, and expressly disclaims 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 expressly required by applicable law.

