

Cardinal Capital and MindHealth Biomed Announce Signing of Definitive Agreement for Reverse Takeover

Toronto, Ontario--(Newsfile Corp. - September 14, 2020) - Cardinal Capital Partners Inc. (the "**Company**" or "**Cardinal**") and MindHealth Biomed Corp. ("**MindHealth**", and together with Cardinal, the "**Parties**") are pleased to announce that they have entered into a binding definitive agreement dated September 11, 2020 (the "**Definitive Agreement**") pursuant to which the Parties intend to complete a business combination transaction, which, subject to certain conditions and applicable shareholder and regulatory approvals, will result in a reverse takeover of Cardinal by MindHealth (the "**Transaction**"). The combined public company resulting from the Transaction (the "**Resulting Issuer**") will carry on the business of MindHealth.

About MindHealth

MindHealth is a private, British Columbia company, with a mission to become the leading supplier of branded medicinal-grade psilocybin mushroom products to the global legal psychedelic research, medical and nutraceutical industries. MindHealth intends to capitalize on significantly lower cost production in Africa to distribute and supply internationally certified medical grade psilocybin mushroom products to legal export markets, to differentiate itself through best of class cultivation, processing, distribution, brand and retail services. MindHealth currently possesses a cultivation, processing and export license for psilocybin mushrooms in Lesotho, in Southern Africa (which is one of the first commercial medical grade psilocybin mushroom cultivation licenses globally), and has commenced the build-out of a fully integrated cultivation, processing and product manufacturing facility to international standards at its licensed facility.

MindHealth is led by a team of executives who previously lead Canopy Growth Africa, with a proven track record of execution and creation of shareholder value in Southern Africa and internationally.

The Transaction

Under the terms of the Definitive Agreement, the Transaction will be completed by way of a three-cornered amalgamation (the "**Amalgamation**") among Cardinal, MindHealth, and 1264216 B.C. Ltd. ("**Subco**"), a wholly owned subsidiary of Cardinal incorporated for the purposes of completing the Transaction, under the *Business Corporations Act* (British Columbia). The Amalgamation will result in MindHealth combining its corporate existence with Subco, and the entity resulting from the Amalgamation will be a wholly-owned subsidiary of Cardinal.

Shareholders Meetings

Prior to the completion of the Transaction, Cardinal intends to hold an annual, general and special meeting of shareholders to approve certain matters required to be completed in connection with the Transaction pursuant to the Definitive Agreement, including, among other things, (i) a consolidation of the issued and outstanding common shares of Cardinal (the "**Cardinal Shares**") on the basis of one (1) post-consolidation Cardinal Share for every 19.24 pre-consolidation Cardinal Shares (the "**Consolidation**"), (ii) the Board and Management Reconstitution (as defined and described below), and (iii) a change in the name of Cardinal to "MindHealth Biomed Corp." or such other name as may be accepted by the relevant regulatory authorities and acceptable to MindHealth (the "**Name Change**").

MindHealth also intends to hold a special meeting of shareholders to approve, among other things, the Transaction and the Amalgamation.

Securities Exchange

Under the terms of the Definitive Agreement, in connection with the Transaction:

(i) the holders of the issued and outstanding common shares of MindHealth (the "**MindHealth Shares**") will receive (A) if the Consolidation is completed in accordance with its terms prior to the closing of the Transaction, 1.0649 common shares of the Resulting Issuer (the "**Resulting Issuer Shares**") for each MindHealth Share held, or (B) if the Consolidation is not completed in accordance with its terms prior to the closing of the Transaction, 20.4904 Resulting Issuer Shares for each MindHealth Share held (the "**Exchange Ratio**"); and

(ii) all outstanding exercisable or convertible securities of MindHealth (collectively, the "**MindHealth Convertible Securities**") will be exchanged for equivalent exercisable or convertible securities of the Resulting Issuer (the "**Resulting Issuer Convertible Securities**"), as determined in accordance with and to give effect to the Exchange Ratio, and entitling the holders thereof to acquire Resulting Issuer Shares in lieu of MindHealth Shares, subject to any adjustments required pursuant to the terms of such MindHealth Convertible Securities or to comply with applicable laws.

Upon closing of the Transaction, and assuming that the Consolidation is completed in accordance with its terms prior to the closing of the Transaction (but without accounting for securities of MindHealth issued in the Potential MindHealth Private Placement, as defined below), it is expected that the Resulting Issuer will have approximately 49,638,931 Resulting Issuer Shares issued and outstanding (on a non-diluted basis), of which (i) approximately 45,972,274 Resulting Issuer Shares (or 92.613%) will be held by the former MindHealth shareholders, and (ii) approximately 3,666,657 Resulting Shares (or 7.387%) will be held by the shareholders of Cardinal existing prior to closing (which includes Cardinal Shares held by certain eligible finders of Cardinal).

The Transaction is an arm's length transaction and is subject to customary closing conditions and requisite regulatory approvals, as described below.

MindHealth Private Placement

As previously announced in the Company's press release dated August 11, 2020 and filed on SEDAR, MindHealth recently completed an oversubscribed, non-brokered private placement for aggregate gross proceeds of CAD\$4,791,720. MindHealth considers itself adequately financed to execute on its business plan for the foreseeable future, however, contingent on market conditions, prior to the completion of the transaction, MindHealth may complete an additional non-brokered private placement of equity, debt or convertible securities of MindHealth (the "**Potential MindHealth Private Placement**"), on terms and conditions determined by MindHealth at an issue price per security of not less than CAD\$0.25.

Proposed Directors and Officers of the Resulting Issuer

Upon completion of the Transaction, it is anticipated that the board of directors and management of the Resulting Issuer will be reconstituted such that the directors of the Resulting Issuer will be comprised of Jody Aufrichtig (Chairman), Gavin Basserabie and three (3) other nominees of MindHealth, and the officers of the Resulting Issuer will be comprised of Mr. Aufrichtig and two (2) other nominees of MindHealth (the "**Board and Management Reconstitution**"). Further details about the proposed nominee directors and officers of the Resulting Issuers (including biographies) will be provided in a comprehensive press release at such time as the parties have settled upon all nominees.

Closing Conditions

Completion of the Transaction is subject to a number of conditions customary to transactions of the nature of the Transaction, including, but not limited to: (i) the receipt of all required regulatory, corporate, shareholder, stock exchange, and third-party approvals, and (ii) the completion of the Consolidation, the

Name Change, and the Board and Management Reconstitution. There can be no assurance that any one or more of the Transaction, the Consolidation, the Name Change, the Board and Management Reconstitution, and/or any other matters to be undertaken in connection with the Transaction will be completed as proposed or at all.

Additional details of the Transaction will be available in the related meeting materials to be mailed to shareholders of Cardinal and MindHealth in connection with the various matters required to be approved by the Shareholders of Cardinal and MindHealth in connection with the Transaction and the disclosure document to be prepared in connection with the Transaction (the "**Disclosure Document**").

The management information circular prepared in respect of the meeting of the shareholders of Cardinal (the "**Cardinal Circular**"), and the Disclosure Document will be filed and be available for viewing on SEDAR under the Company's profile. Readers are cautioned that, except as disclosed in the Cardinal Circular or the Listing Statement, any information released or received with respect to the Transaction may not be accurate or complete and should not be relied upon.

About Cardinal Capital Partners Inc.

Cardinal is an Ontario corporation and a reporting issuer in the Provinces of British Columbia, Alberta, Ontario, Nova Scotia, with no current activities or operations.

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Cautionary Statements

This press release contains statements which constitute "forward-looking information" within the meaning of applicable securities laws, including statements regarding the plans, intentions, beliefs and current expectations of the Company and MindHealth with respect to future business activities and operating performance. Forward-looking information is often identified by the words "may", "would", "could", "should", "will", "intend", "plan", "anticipate", "believe", "estimate", "expect" or similar expressions and includes, but is not limited to, information regarding: (i) expectations regarding whether the Transaction will be consummated, including whether conditions to the consummation of the Transaction will be satisfied including, but not limited to, the necessary board, shareholder and regulatory approvals and the timing associated with obtaining such approvals, if at all, (ii) the timing for completing the Transaction, (iii) the preparation and delivery to shareholders of a management information circular, the timing associated with its preparation and delivery to shareholders and the convening of the necessary shareholder meetings, (iv) the business plans and expectations of the Company, (v) the issuance of and timing associated with issuing a further comprehensive press release or press releases, and (vi) expectations for other economic, business, and/or competitive factors.

Investors are cautioned that forward-looking information is not based on historical facts but instead reflect the Company and MindHealth's respective management's expectations, estimates or projections concerning future results or events based on the opinions, assumptions and estimates of

management considered reasonable at the date the statements are made. Although the Company and MindHealth believe that the expectations reflected in such forward-looking information are reasonable, such information involves risks and uncertainties, and undue reliance should not be placed on such information, as unknown or unpredictable factors could have material adverse effects on future results, performance or achievements of the Resulting Issuer. Among the key factors that could cause actual results to differ materially from those projected in the forward-looking information are the following: (i) approval of the Transaction by the shareholders of MindHealth and Cardinal (including, as applicable, the Name Change, the Consolidation, and the Board and Management Reconstitution), (ii) the ability to obtain requisite regulatory and shareholder approvals and the satisfaction of other conditions to the consummation of the Transaction on the proposed terms and schedule, (iii) the potential impact of the announcement or consummation of the Transaction on relationships, including with regulatory bodies, employees, suppliers, customers and competitors, (iv) changes in general economic, business and political conditions, including changes in the financial markets, changes in applicable laws and regulations both locally and in foreign jurisdictions, (v) compliance with extensive government regulation and the costs associated with compliance, (vi) the risks and uncertainties associated with foreign markets, (vii) risks associated with the COVID-19 pandemic and (viii) the diversion of management time on the Transaction. This forward-looking information may be affected by risks and uncertainties in the business of the Company and MindHealth and market conditions.

Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking information prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, believed, estimated or expected. Although the Company and MindHealth have attempted to identify important risks, uncertainties and factors which could cause actual results to differ materially, there may be others that cause results not to be as anticipated, estimated or intended and such changes could be material. Neither the Company nor MindHealth intend, nor assume any obligation, to update this forward-looking information except as otherwise required by applicable law.

All information contained in this press release relating to MindHealth, including information on MindHealth's business, has been provided to the Company by MindHealth. The Company has relied upon this information without having made independent inquiries as to its accuracy or completeness, and as such, assumes no responsibility for the inaccuracy or incompleteness of any information provided by MindHealth, or for any failure of MindHealth to disclose events that may have occurred or that may affect the significance or accuracy of any such information or for any failure of MindHealth to update or amend such information, whether as a result of new information, future events or otherwise.

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CARDINAL CAPITAL PARTNERS

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