

# Blackhawk Resource Provides Update on Acquisitions

CALGARY, Alberta, May 14, 2019 /CNW/ -- Blackhawk Resource Corp. (the "**Corporation**" or "**Blackhawk**") (CSE: BLR), is pleased to provide an update on its previously announced transaction with CFPM Management Services Ltd. ("**CFPM**"), which operates under the name, "The Green Room".

Blackhawk and CFPM have reached an agreement to restructure the proposed transaction, such that Blackhawk now proposes to acquire the rights to a lease for a retail cannabis location in Nelson, British Columbia, as well as a database of potential retail cannabis customers (the "**Acquired Assets**"). In order to facilitate the transaction, Blackhawk will acquire 1202465 B.C. Ltd. (the "**AcquisitionCo**") which is owned by the existing shareholders of CFPM Management Services Ltd. Following this assignment, Blackhawk has entered into a letter of intent, dated effective May 13, 2019, pursuant to which Blackhawk proposes to acquire all of the outstanding share capital of AcquisitionCo in consideration for the issuance of 20,000,000 common shares of Blackhawk ("**Consideration Shares**").

Each of Blackhawk, CFPM and AcquisitionCo are at arms'-length. The issuance of the Consideration Shares to the existing shareholders of AcquisitionCo is not expected to result in a change of control of Blackhawk. Completion of the transaction, and the acquisition of all of the outstanding share capital of AcquisitionCo, remains subject to completion of filings with the Canadian Securities Exchange, and such other conditions as are customary in transactions of this nature.

Blackhawk also announces that the previously announced financing has been reduced in magnitude due to the changes in the proposed transaction. It is now expected Blackhawk will complete a private placement of up to 20,000,000 common shares at a price of \$0.05 per share for gross proceeds of approximately \$1,000,000. The proceeds of the financing are expected to be used for strategic growth initiatives, working capital and general corporate purposes.

All securities to be issued in connection with the financing will be subject to a four-month-and-one-day statutory hold period in accordance with applicable securities laws. Assuming that the Consideration Shares are issued, and the financing is fully subscribed, there will be 81,196,374 common shares of Blackhawk outstanding.

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### **Reader Advisory**

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