

RISE Life Science Corp. Announces Revised Private Placement Structure Led by Canaccord Genuity Corp.

Toronto, Ontario--(Newsfile Corp. - April 21, 2020) - RISE Life Science Corp. (CSE: RLSC) ("RISE" or the "Company") announced on April 13, 2020 that it has entered into a binding letter agreement (the "Agreement") dated April 13, 2020 with HydRx Farms Ltd. o/a Scientus Pharma ("Scientus") to complete a business combination of RISE and Scientus (the "Transaction"). If completed, the Transaction will constitute a "fundamental change" of RISE pursuant to the policies of the Canadian Securities Exchange (the "CSE"). The resulting issuer that will exist upon completion of the Transaction (the "Resulting Issuer") will continue to operate under the name RISE Life Science Corp. until a revised branding strategy is finalized.

Pursuant to the terms of the Agreement, RISE shall issue to shareholders of record of Scientus C\$25 million in common shares at a price of C\$0.05 per common share, which will be exchanged for shares of the Resulting Issuer ("Resulting Issuer Shares") upon completion of the Transaction.

The final structure of the Transaction will be determined by the parties following receipt of tax, corporate and securities law advice. The Transaction is an arm's length transaction. Upon the closing of the Transaction (the "Closing") it is expected that current shareholders of RISE (after the conversion of the outstanding RISE convertible debentures, discussed below) will hold approximately 19% of the Resulting Issuer Shares, existing shareholders of Scientus will hold approximately 67% of the Resulting Issuer Shares and the new convertible debenture holders, as a result of the private placement financing, (described below) will hold approximately 14% on a fully converted basis.

Closing Conditions

The completion of the Transaction is subject to a number of conditions, including but not limited to the following:

- Approval of the Transaction by the shareholders of RISE and Scientus
- Approval of the Transaction by the CSE
- Successful completion by RISE of a minimum \$5 million private placement financing (described below)
- Conversion of all outstanding RISE convertible debentures
- Assignment or retirement of current outstanding debenture held in Scientus

Escrow Release Conditions

Upon the satisfaction of the following conditions (the "Escrow Release Conditions"), to be completed within 180 days from the date of Closing, the escrow agent shall release the Escrowed Funds (defined below) to the Company.

- All current outstanding debt, not including trade payables, of the Company shall be exchanged for Resulting Issuer Shares based on a conversion price of C\$0.075 per share;
- All current interest payable by RISE shall be exchanged for Resulting Issuer Shares based on a conversion price of C\$0.05 per share;
- Written confirmation from RISE that there are no ongoing debt obligations, not including trade payables, or interest-bearing liabilities associated with the Company;
- Written confirmation from each of the Company and Scientus that all conditions to the completion of the Transaction have been satisfied or waived, including the assignment and amendment of the Scientus Debt (as defined below), other than the release of the Escrowed Funds;
- The receipt of audited financial statements of Scientus for the years ended December 31, 2018 and December 31, 2019;
- The Resulting Issuer Shares being approved for listing on the CSE; and
- The receipt of all regulatory, shareholder and third-party approvals, if any, required in connection with the Transaction.

RISE Private Placement

As a condition to the Transaction, RISE intends to complete a brokered Private Placement (the "Private Placement"), led by Canaccord Genuity Corp. ("Agent"), of subscription receipts for targeted gross proceeds of up to C\$10,000,000 that will be automatically exercised into convertible debenture units of RISE ("RISE Units") (at which time the net proceeds of the Private Placement are released to the Company) upon the satisfaction of the Escrow Release Conditions. Each RISE Unit is comprised of one C\$1,000 principal amount unsecured convertible debenture ("RISE Convertible Debentures") and 20,000 common share purchase warrants ("Warrants"). RISE Convertible Debentures will be convertible into common shares of RISE, at the sole discretion of the holder, at a conversion price of C\$0.05 per common share, at any time for a period of 36 months from the satisfaction of escrow conditions. RISE Convertible Debentures will bear 12% interest per annum payable semi-annually, 6% paid in cash and 6% paid in RISE common shares based on the market price of the common shares at the time of payment and in accordance with CSE regulations. Each Warrant exercises into one common share at an exercise price of C\$0.07 for 24 months from satisfaction of the Escrow Release Conditions. The Agent will receive a cash commission (the "Cash Commission") equal to 8% of the gross proceeds raised in the Offering and such number of broker warrants (the "Broker Warrants") that is equal to 8% of the number of RISE Units expiring three years following the closing date of the Private Placement. The gross proceeds of the Private Placement, less 50% of the Agent's commission and all of its estimated expenses of the Private Placement (the "Escrowed Funds"), shall be placed into escrow with a third party escrow agent, to be released to the Company upon satisfaction of the Escrow Release Conditions. The net proceeds of the Private Placement will be used for general working capital purposes.

RISE Debenture Conversion

As a condition of the Transaction, all current debentures in RISE totaling C\$5.365 million, upon closing of the Transaction, must be converted into common shares of RISE at a conversion price of C\$0.075 per common share. The outstanding warrants issued in connection with the current outstanding debentures of RISE (including bonus warrants issuable upon exercise of such warrants) will have their exercise price amended to C\$0.05 but must be exercised within 30 days of closing of the Transaction. In addition, outstanding interest owed to debenture holders up to April 30, 2020 will be paid in kind in RISE common shares at C\$0.05 per share.

Scientus Debenture Assignment or Retirement

In connection with the Transaction, the holder of an outstanding C\$11,500,000 principal amount senior secured convertible debentures and accrued interest of Scientus (the "Scientus Debt") has agreed to assign the Scientus Debt to a third-party for cash consideration of C\$6,000,000, subject to final documentation customary for transactions of this nature. The third-party has entered into an agreement with Scientus to concurrently reduce the principal amount of the Scientus Debt to C\$7,500,000 and extend the maturity date from November 12th, 2019 to the date that is 24 months from the completion of the Transaction. The first-priority security interest of the Scientus Debt shall be assigned to that third-party and all obligations of the Scientus Debt will become obligations of the Resulting Issuer.

Further Information

Further details about the Transaction and the Resulting Issuer will be provided in a comprehensive news release when the parties enter into a definitive transaction agreement.

Investors are cautioned that any information released or received with respect to the Transaction in this press release may not be complete and should not be relied upon. **Trading of shares in RISE shall continue to be halted at the request of the Company.**

The securities to be issued in connection with the Transaction 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 (as defined in Regulation S promulgated under the U.S. Securities Act) unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

Completion of the Transaction is subject to a number of conditions, including but not limited to, CSE acceptance and if applicable, disinterested shareholder approval. Where applicable, the Transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the Transaction will be completed as proposed or at all. Investors are cautioned that, except as disclosed in the management information circular or listing statement to be prepared in connection with the Transaction, any information released or received with respect to the Transaction may not be accurate or complete and should not be relied upon.

The CSE has in no way passed upon the merits of the proposed Transaction and has neither approved nor disapproved the contents of this news release.

Description of Scientus and its Business

Scientus is a commercial stage, vertically-integrated biopharmaceutical Licensed Producer under the Cannabis Act and its Regulations and also a Licensed Dealer under the Narcotics Control Act and its Regulations. Scientus is one of a limited number of Licensed Producers in Canada authorized to conduct R&D and fully handle cannabinoid products with the ability to wholesale, buy, process and sell cannabinoid derivatives, from and to other Licensed Producers, as well as international markets.

Having created a proprietary platform that produces a significantly more standardized active pharmaceutical ingredient ("API") than what is currently available in the industry, Scientus is able to further develop finished precise dosing forms for medical cannabis markets. In the pharmaceutical industry, inconsistency and high variability in production of API can manifest themselves into inconsistent finished products resulting in efficacy variability and reduced patient safety.

Description of RISE and its Business

RISE is currently developing and evolving medical and adult-use hemp-based formulations to create general use health and well-being products for the emerging consumer category made possible by the legalization of hemp in the United States pursuant to the Agricultural Improvement Act of 2018. The Company launched its CBD-based sexual wellness products in June 2018. The acquisition of Life Bloom Organics in July 2018 expanded RISE's portfolio of CBD products from sexual health and wellness products to include general wellness, sleep, sports and muscle recovery and PMS products and provides access to Life Bloom's existing channels of distribution and production in the United States and California in particular. RISE also leverages Life Bloom's proprietary process of nanotizing CBD for increased bioavailability (without psychoactivity) in future products created under the RISE brand umbrella.

Cautionary Statement Regarding Forward-Looking Information

Statements in this news release that are forward-looking statements are subject to various risks and uncertainties concerning

the specific factors disclosed here and elsewhere in RISE's periodic filings with Canadian securities regulators. When used in this news release, words such as "will, could, plan, continue, estimate, expect, intend, may, potential, believe, should, target, goals, projections, anticipated" and similar expressions, are forward-looking statements. Forward-looking statements may include, without limitation, statements including the Company's expectations with respect to pursuing new opportunities and its future growth and other statements of fact.

Although RISE has attempted to identify important factors that could cause actual results, performance or achievements to differ materially from those contained in the forward-looking statements, there can be other factors that cause results, performance or achievements not to be as anticipated, estimated or intended, including, but not limited to: the Company's ability to complete the proposed Transaction or Private Placement; recent market volatility; the COVID-19 crisis; general economic conditions; pending and proposed legislative or regulatory developments including the impact of changes in laws, regulations and the enforcement thereof; reliance on funding models; operational and infrastructure risks including possible equipment failure and performance of information technology systems; intensifying competition resulting from established competitors and new entrants in the businesses in which the Company operates; insurance coverage of sufficient scope to satisfy any liability claims; fluctuations in total customers; technological change and obsolescence; loss of services of key senior management personnel; privacy laws; leverage and restrictive covenants; fluctuations in cash timing and amount of capital expenditures; tax-related risks; unpredictability and volatility of the price of the Company's securities; dilution; and future sales of the Company's securities. Further risks include operational risks of operating in the United States; U.S. federal regulation risks; variation in U.S. state regulations; change of U.S. cannabis laws; security risks; risks related to permits and authorizations; risks related to potential acquisitions; risks on liability, enforcement complaints etc.; banking risks; marketing, sales, manufacturing and distribution risk regarding our product growth plans; changes in laws; limited operating history; reliance on management; requirements for additional financing; hindering market growth and state adoption due to inconsistent public opinion and perception of the medical-use and adult use cannabis industry; and regulatory or political change. There can be no assurance that such information will prove to be accurate or that management's expectations or estimates of future developments, circumstances or results will materialize. As a result of these risks and uncertainties, the results or events predicted in these forward-looking statements may differ materially from actual results or events. Accordingly, readers should not place undue reliance on forward-looking statements.

For Investor inquiries, please contact:

Scott Secord, Executive Chairman

scott@riselifescience.com

T. 416.433.9259

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