

# Darien Business Development Corp. Announces Proposed Reverse Takeover by Vireo Health, Inc.

Vancouver, British Columbia and Minneapolis, Minnesota--(Newsfile Corp. - February 11, 2019) - Darien Business Development Corp. (TSXV: DBD.H) ("**Darien**" or the "**Company**") and Vireo Health, Inc. ("**Vireo**") a Delaware-incorporated cannabis company, are pleased to confirm, further to Darien's press release dated January 10, 2019, the business combination (the "**Proposed Transaction**") between Darien and Vireo that will result in a reverse takeover of Darien by the security holders of Vireo. The Proposed Transaction will be an arm's length transaction.

Vireo is one of America's leading multi-state cannabis companies. Vireo is a physician-led, science-focused organization dedicated to providing patients with best-in-class cannabis-based products and compassionate care. Vireo cultivates cannabis in environmentally-friendly greenhouses, manufactures pharmaceutical-grade cannabis extracts, and sells its products at both company-owned and third-party dispensaries. Vireo has a strong track record of competing for and winning merit-based licensing processes and has been awarded licenses in some of the most selective state-based markets, including Minnesota, New York, Pennsylvania, Maryland and Ohio.

## Terms of the Transaction

The arm's length Proposed Transaction will be structured as an amalgamation, merger, arrangement, takeover bid, share purchase or other similar form of transaction or series of transactions that will allow Darien to acquire all of the voting securities of Vireo. The final structure for the Proposed Transaction is subject to satisfactory tax, corporate, and securities law advice for both Darien and Vireo.

Completion of the Proposed Transaction is subject to a number of conditions, including the completion of the Vireo Financing (defined below), receipt of all necessary shareholder and regulatory approvals, the execution of related transaction documents, the delisting of the common shares of Darien from the TSX Venture Exchange, the consolidation of the Darien common shares, and the conditional approval of the Canadian Securities Exchange for the listing of the post-consolidation common shares of Darien (the "Darien Shares") following completion of the Proposed Transaction.

Vireo currently intends to complete a brokered private placement (the "**Vireo Financing**") of subscription receipts to accredited investors (the "**Vireo Subscription Receipts**") through a special purpose vehicle. Vireo has engaged Eight Capital and Canaccord Genuity Corp., to act as co-bookrunners in connection with the Vireo Financing. The Vireo Subscription Receipts are proposed to be exchanged, upon the satisfaction of certain conditions, for common shares of the special purpose vehicle, which shares will then be exchanged for Subordinate Voting Shares (as defined herein) on a one-for-one basis or for Multiple Voting Shares (as defined herein) on a 100-for-1 basis.

In connection with the Proposed Transaction, the Company will be required to, among other things: (i) change its name to a name requested by Vireo and acceptable to applicable regulatory authorities; (ii) consolidate its outstanding common shares on a basis to be determined (the "**Consolidation**"); (iii) replace all directors and officers of the Company on closing of the Proposed Transaction with nominees of Vireo; and (iv) alter the articles and notice of articles of Darien to re-designate the post-Consolidation common shares as Subordinate Voting Shares (the "**Subordinate Voting Shares**"), create a new class of Super Voting Shares that would be issued to certain principals of Vireo and create a new class of Multiple Voting Shares ("**Multiple Voting Shares**") to be issued to U.S. resident holders of Vireo securities, under the Proposed Transaction.

Under the Proposed Transaction, the shareholders of the Company as of immediately prior to the completion of the Proposed Transaction would hold upon consummation of the transaction Subordinate Voting Shares with a value, based on the Vireo Financing price, of US\$3,000,000. Further details of the Proposed Transaction will be included in subsequent news releases and disclosure documents (which will include business and financial information in respect of Vireo) to be filed in Canada by the Company in connection with the Proposed Transaction. It is anticipated that the annual and special shareholders' meeting of the Company to approve, among other matters, any necessary matters in connection with the Proposed Transaction will take place March 8, 2019 and closing of the Proposed Transaction will take place later in the first quarter of 2019.

The common shares of the Company will remain halted until all necessary filings have been accepted by applicable regulatory authorities.

On Behalf of the Board of Directors of Darien Business Development Corporation.

Gunther Roehlig

Chief Executive Officer

## **For more information, please contact:**

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## **About Vireo Health, Inc. (Vireo):**

Vireo is one of America's leading multi-state cannabis companies. Vireo is physician-led, science-focused organization, and is dedicated to providing patients with best-in-class quality cannabis-based products and compassionate care. Vireo cultivates cannabis in environmentally-friendly greenhouses, manufactures pharmaceutical-grade cannabis extracts, and sells its products at both company-owned and third-party dispensaries. Vireo has a strong track record of competing for and winning merit-based licensing processes and has been awarded licenses in some of the most selective state-based markets, including Minnesota, New York, Pennsylvania, Maryland and Ohio. For more information visit, <https://vireohealth.com/>.

*All information contained in this news release with respect to Vireo was supplied by Vireo for inclusion herein and the Company has relied on the accuracy of such information without independent verification.*

*As noted above, completion of the Proposed Transaction is subject to a number of conditions, including but not limited to the voluntary delisting of the Darien Shares from the TSX Venture Exchange and listing on the Canadian Securities Exchange of the Subordinated Voting Shares. There can be no assurance that the Proposed Transaction will be completed as proposed or at all.*

*Investors are cautioned that, except as disclosed in the management information circular or listing statement of the Company to be prepared in connection with the Proposed Transaction, any information released or received with respect to the Proposed Transaction may not be accurate or complete and should not be relied upon. Trading in the securities of Darien should be considered highly speculative.*

*Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) has in any way passed upon the merits of the Proposed Transaction nor accepts responsibility for the adequacy or accuracy of this news release.*

This news release does not constitute an offer to sell, or a solicitation of an offer to buy, any securities under the Vireo Financing in the United States. The 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 unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

## **Forward-Looking Information and Statements**

This press release contains certain "forward-looking information" within the meaning of applicable Canadian securities legislation and may also contain statements that may constitute "forward-looking statements" within the meaning of the safe harbor provisions of the United States Private Securities Litigation Reform Act of 1995. Such forward-looking information and forward-looking statements are not representative of historical facts or information or current condition, but instead represent only the Company's beliefs regarding future events, plans or objectives, many of which, by their nature, are inherently uncertain and outside of the Company's control. Generally, such forward-looking information or forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or may contain statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "will continue", "will occur" or "will be achieved". The forward-looking information and forward-looking statements contained herein may include, but are not limited to, information concerning the Proposed Transaction and the Vireo Financing, expectations regarding whether the Proposed Transaction will be consummated, including whether conditions to the consummation of the Proposed Transaction will be satisfied, the timing for holding the annual and special meeting of shareholders of the Company and the timing for completing the Proposed Transaction, expectations for the effects of the Proposed Transaction or the ability of the combined company to successfully achieve business objectives, expectations regarding whether the Vireo Financing will be consummated, and expectations for other economic, business, and/or competitive factors.

By identifying such information and statements in this manner, the Company is alerting the reader that such information and statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such information and statements. In addition, in connection with the forward-looking information and forward-looking statements contained in this press release, the Company has made certain assumptions. Among the key factors that could cause actual results to differ materially from those projected in the forward-looking information and statements are the following: the ability to consummate the Proposed Transaction and the Vireo Financing; the ability to obtain requisite regulatory and securityholder approvals and the satisfaction of other conditions to the consummation of the Proposed Transaction on the proposed terms and schedule; the ability to satisfy the conditions to the consummation of the Vireo Financing or to the conversion of the Vireo Subscription Receipts; the potential impact of the announcement or consummation of the Proposed Transaction on relationships, including with regulatory bodies, employees, suppliers, customers and competitors; changes in general economic, business and political conditions, including changes in the financial markets; changes in applicable laws; compliance with extensive government regulation; and the diversion of management time on the Proposed Transaction and the Vireo Financing.

Should one or more of these risks, uncertainties or other factors materialize, or should assumptions underlying the forward-looking information or statements prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, believed, estimated or expected.

Although the Company believes that the assumptions and factors used in preparing, and the expectations contained in, the forward-looking information and statements are reasonable, undue reliance should not be placed on such information and statements, and no assurance or guarantee can be given that such forward-looking information and statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information and statements. The forward-looking information and forward-looking statements contained in this press release are made as of the date of this press release, and the Company does not undertake to update any forward-looking information and/or forward-looking statements that are contained or referenced herein, except in accordance with applicable securities laws. All subsequent written and oral forward-looking information and statements attributable to the Company or persons acting on its behalf is expressly qualified in its entirety by this notice.

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