

# Seaway Energy Services Inc. Announces Definitive Agreement With Fully-Licensed Hemp Cultivator and Processor Sweet Earth Holdings Corporation

Vancouver, British Columbia--(Newsfile Corp. - April 15, 2019) - Seaway Energy Services. (TSXV: SEW), (the "**Company**" or "**Seaway**") is pleased to announce that it has entered into a binding and definitive agreement (the "**Agreement**") with Sweet Earth Holdings Corporation ("**Sweet Earth**"). Under the Agreement, Seaway and Sweet Earth, an established hemp cultivator with a growing product line, will amalgamate into a wholly-owned subsidiary of the Company ("**Amalco**") that was created for the purpose of the Agreement and is a corporation existing under the laws of the Province of British Columbia.

Post consolidation the Company will apply to delist from the TSXV and list on the Canadian Securities Exchange ("CSE"). In conjunction with the amalgamation Seaway shares will complete a 2.5 for 1 share-consolidation<sup>1</sup>. Each Sweet Earth share will be exchanged for one post-consolidation Seaway Share. Post-amalgamation the original shareholders of Seaway will hold 11,137,033 shares. Currently Sweet Earth has 54,510,746 shares outstanding for a combined total of 65,647,779<sup>2</sup> post-amalgamation shares. Seaway currently has approximately \$1.8 MM in cash while Sweet Earth maintains approximately \$1.7 MM in treasury, augmenting a strong post-amalgamation balance sheet.

Sweet Earth is in the process of increasing its current land position for the 2019 outdoor growing operation, located in Applegate Oregon, from 23 to 83 acres over the next month. In addition, Sweet Earth has been able to secure an additional 53 acres, bringing the total to 136 acres in Applegate Oregon. To handle this growth and expansion Sweet Earth has procured the necessary equipment to help sow, grow, harvest and extract its hemp biomass.

Sweet Earth continues to focus on self-reliance and vertical integration of its operations. For the past year its in-house genetics team has successfully developed a superior proprietary hemp strain, which produces higher yielding Cannabidiol ("CBD") rich flower.

Equipment for extraction has been purchased and licenses are being applied that allow Sweet Earth to extract its own CBD, Cannabigerol ("CBG") and CBN cannabinoids. From seed development, growing, harvesting, drying, extracting and packaging Sweet Earth has everything in place to make it a significant company in the expanding hemp sector.

Upon closing and the Company will have approximately \$3.5 MM in cash that will be sufficient to support operations, purchase of required production equipment, and support R&D for its consumer product line.

Post amalgamation the team will be led by a balance team of financial, operational, research and product development experts. Management and board will be amongst the hemp industry's leading teams and is poised to monetize on its brand, superior strain and sales contracts.

## **Management Team:**

### **Interim Chief Executive Officer (Director): Peter Espig**

Mr. Espig also currently serves as the CEO of Nicola Mining Inc., which has seen its market capitalization increase ten-fold during his tenure. He is a global pioneer in special acquisition companies (SPACs) and is an experienced turnaround expert in multiple business sectors on an international scale by leveraging expertise in the analysis of investment opportunities, raising capital, deal sourcing, financial restructuring, and growing businesses. The former Goldman Sachs and Olympus Capital Asia executive has structured and raised capital for over US\$2.5 billion in private equity and pre-IPO investment transactions and has been involved in corporate recapitalizations, building of successful business platforms, and turnarounds of over \$5.0 billion. He was a Chazen International Scholar at Columbia University (MBA), a member of the 1986 UBC National Championship football team and is an active philanthropist.

### **Chief Agricultural Officer (Director): Travis Luther**

Mr. Luther is an agricultural expert with thirty years of experience in cannabis-specific medical horticulture. Travis' career has seen him lead projects globally, including India and, more recently, the Pacific Northwest. He has garnered an industry-wide reputation that for his focus on agronomy and crop production to create systems for efficient farming. Mr. Luther has utilized his expertise on structural optimization to create the perfect greenhouse environment for the Sweet Earth hemp strain and for product maximization.

### **Senior Managing Director: Farinaz Wadia**

Ms. Wadia is a co-founder of Forcefield Greenhouses based in Ashland, Oregon. Forcefield is a revolutionary company and leader in the design / build of technologically advanced greenhouses. It acts as exclusive agent for Danish based DACS A/S and the MagFan line of exhaust fans. Its high-quality greenhouse packages, ventilation, lighting and light deprivation systems are considered to be amongst the most advanced in America. Forcefield appeals to professionals and novices alike.

### **Chief Financial Officer (Director): Chris Cooper**

Mr. Cooper has over 20 years of extensive business experience in all facets of corporate development, senior management, finance and operations, in both the private and public sectors. His experience includes spearheading growth strategies, financial reporting, quarterly and annual budgets, overseeing corporate administration, while achieving company objectives and maintaining internal cost controls. Chris has held a Director position in several private and public companies over the past 20 years. He received his Bachelor of Business Administration from Hofstra University and his Master's in Business Administration from Dowling College in New York.

**Independent Director: Leon Ho**

Mr. Ho is a chartered professional accountant working at Cross Davis & Company LLP, a CPA firm specialized in providing accounting services to publicly listed entities, primarily in the mining sector. Leon works directly with top mining Chief Executive Officers and Directors, assisting with their regulatory and accounting needs.

The amalgamation of Seaway and Sweet Earth also requires a change of management and Board of Directors, as highlighted by the new team above. As the Company changes its business from a mining-focused platform to vertically integrated hemp cultivation and hemp product business, it also announces the resignation of John McCoach. Additional changes will occur at time of amalgamation.

On behalf of the Board of Directors

*"Peter Espig"*

Peter Espig

CEO & Director

*Neither the TSX Venture Exchange or its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.*

<sup>1</sup> Currently Seaway has 27,842,583 outstanding shares that will be consolidated into 11,137,033 post-consolidation shares

<sup>2</sup> Sweet Earth is currently completing a pre-IPO private placement that is expected to increase the number of shares owned by Sweet Earth shareholders and consolidated shareholders. The private placement is being conducted at \$0.20 per share.

To view the source version of this press release, please visit <https://www.newsfilecorp.com/release/44097>