



NEWS RELEASE

## **Agra Ventures Amicably Exits Unprofitable Joint Venture**

**The Company Vended its Debt and Equity Interest in Propagation Services Canada Inc. for an aggregate of \$250,000 and Nick Kuzyk has Resigned as an Officer & Director of the Entity, Among Other Closing Terms and Conditions**

**Vancouver, British Columbia / June 16, 2023 (Globe Newswire) – Agra Ventures Ltd. (“AGRA” or the “Company”) (CSE: AGRA) (OTCPK: AGFAF),** a company focused on the cannabis industry, announces that it has mutually agreed to effectively terminate and amicably exit the Propagation Services Canada Inc. (doing business as “Boundary Bay Cannabis”) joint venture (“BBC” or the “JV”) by way of executing a series of agreements (the “**Agreements**”) with its JV partner and related entities. Effective today, the Company has settled its debt receivable and sold its equity interest in BBC to its JV partner for an aggregate of \$250,000 and Nick Kuzyk, CEO and Director of AGRA, has resigned as an officer and director of the JV.

In addition, a mutual release has been executed between AGRA, a wholly-owned subsidiary of AGRA, and their respective directors and officers; and BBC, the landlord, the JV partner and their respective directors and officers. By exiting BBC, the Company has taken a significant step toward stemming its tide of financial losses and, therefore, is now better positioned to preserve its current cash balance, pursue the collection of its remaining receivables, vend other non-core assets, and consider a strategic pivot in a more promising direction within the cannabis industry.

Over time, the JV partner’s talented team proved that it was able to successfully grow and process the high-potency Mimosa strain of cannabis using approximately 130,000 square feet of the 2.2 million square foot greenhouse complex. Despite selling essentially all of the bulk cannabis that was produced within the greenhouse facility in Delta, British Columbia, with the added assistance of an adept third-party wholesale cannabis brokerage firm in order to attract the best purchasers, high levels of supply resulting in declining market prices, combined with high operating costs, prevented the JV from being profitable at any time.

Since inception, BBC had accumulated approximately \$25 million in losses and was not expected to record net income in the foreseeable future, due to unfavourable industry conditions, an onerous regulatory framework, and unattractive competitive dynamics as a Licensed Producer of cannabis

in Canada. Therefore, AGRA and its JV partner amicably agreed to terminate the growing of cannabis after the 2022 growing season and exit the JV pursuant to the recently executed Agreements.

### **Management Commentary**

"Continuing to lose significant amounts of money through BBC was not a viable option for AGRA or for its JV partner. Ceasing cannabis growing operations to stop the financial losses was a difficult but necessary joint decision, which is one that is also being made by management teams in other segments across the Canadian cannabis industry, even quite recently in a significant way at the retail end of the value chain," said Nick Kuzyk, Director and CEO & Director of the Company.

"I understand that many of AGRA's shareholders were hopeful that BBC would become a national leader in cannabis production. Unfortunately, the recreational cannabis industry has not been set up for success and significant changes are needed to the Cannabis Act and other tax-related improvements in order for the plant-touching aspects of the industry to become economic at a reasonable scale. However, exiting the JV gives AGRA's board of directors the opportunity to consider a new direction for the Company, based on its collective areas of expertise and more attractive alternatives currently available in the market," added Mr. Kuzyk.

### **About Agra Ventures Ltd.**

Agra Ventures is a company focused on the cannabis industry. The company's wholly owned subsidiary, Farmako GmbH, is focused on becoming Europe's leading distributor of medical cannabis as well as its proprietary CBD and THC test kits. Farmako currently has active product distribution operations in Germany and is fully licensed in the United Kingdom.

For more information about Agra Ventures, please visit [www.agraventures.com](http://www.agraventures.com) and its profile page on SEDAR at [www.sedar.com](http://www.sedar.com).

### **ON BEHALF OF THE BOARD OF DIRECTORS**

Nick Kuzyk, CEO & Director

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The CSE and Information Service Provider have not reviewed and does not accept responsibility for the accuracy or adequacy of this release.

### **Forward-looking Information Cautionary Statement**

Except for statements of historic fact this news release contains certain "forward-looking information" within the meaning of applicable securities law. Forward-looking information is frequently characterized by words such as "plan" "expect" "project" "intend" "believe" "anticipate" "estimate" and other similar words or statements that certain events or conditions

“may” or “will” occur. Forward-looking statements are based on the opinions and estimates at the date the statements are made and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those anticipated in the forward-looking statements including but not limited to delays or uncertainties with regulatory approvals including that of the CSE. There are uncertainties inherent in forward-looking information including factors beyond the Company’s control. There are no assurances that the business plans for Agra Ventures described in this news release will come into effect on the terms or time frame described herein. The Company undertakes no obligation to update forward-looking information if circumstances or management’s estimates or opinions should change except as required by law. The reader is cautioned not to place undue reliance on forward-looking statements. Additional information identifying risks and uncertainties that could affect financial results is contained in the Company’s filings with Canadian securities regulators which are available at [www.sedar.com](http://www.sedar.com).

**SOURCE: Agra Ventures Ltd.**