

## UPDATE REGARDING PROPOSED TRANSACTION BETWEEN SMAART HOLDINGS INC. AND ADIRA ENERGY LTD.

**Toronto – August 10, 2017 – Adira Energy Ltd. (“Adira”) (TSX-V:ADL) and SMAART Holdings Inc. (the “Target”)** wish to provide an update concerning the status of the proposed transaction between these two companies as initially outlined in the press release dated November 9, 2015.

Adira, the Target and the shareholders of the Target have entered into a revised letter of intent dated August 9, 2017 (the “**Revised LOI**”) pursuant to which the Target and Adira will complete a transaction (the “**Transaction**”) in which it is intended that the resulting corporation (the “**Resulting Issuer**”) will be listed on the Canadian Securities Exchange (the “**CSE**”). Concurrently with the completion of the Transaction and subject to obtaining shareholder approval, Adira intends to delist its common shares from trading on the TSX Venture Exchange (the “**TSXV**”). It is further anticipated that the trading in Adira’s common shares will remain halted during this time.

### Business of the Target

The Target’s business operates under the name Empower Clinics (“**Empower**”) in the United States and is a growing national network of physician-staffed medical cannabis clinics with a primary focus on enabling patients to improve and protect their health. In addition to the clinic business, Empower also garners royalties from the sale of proprietary medical cannabis products manufactured, dispensed, and delivered by third party channel partners. Through the rapid addition of both physical clinic locations, coupled with third party manufacturer distribution relationships, Empower seeks to create a leading nationwide brand of trusted products and services for the medical cannabis industry, enabling patients to more effectively and affordably address areas such as chronic pain, Epilepsy, PTSD, and more. Empower also intends to seek merger and acquisition opportunities where possible to accelerate its business expansion plans and drive value.

### The Transaction

Pursuant to the proposed terms of the Transaction, shareholders of the Target will exchange their common shares of the Target in exchange for common shares of Adira such that, following completion of the Transaction, shareholders of the Target will hold 95% of the outstanding common shares of the Resulting Issuer excluding any common shares issued pursuant to the Concurrent Financing (as defined below). Prior to the completion of the Transaction, Adira will seek shareholder approval for, amongst other things, the Transaction, a share consolidation and a name change to “Empower Clinics Inc.”

Several of the directors and officers of Adira, specifically Dennis Bennie, Alan Friedman and Alan Rootenberg, are shareholders and, in the case of Mr. Rootenberg, an officer of the Target, and as such the Transaction is a non-arm’s length transaction and may be a related party transaction under National Instrument 61-101. Adira has appointed Gadi Levin, currently Adira’s CFO, as an additional director of Adira. Mr. Levin is considered independent for the purposes of the Transaction.

## Conditions of the Transaction

The Transaction is subject to a number of conditions typical in a transaction of this nature, including, without limitation, the following approvals at an annual and special shareholder meeting to be held by Adira: majority of the minority shareholder approval for the Transaction and the delisting from the TSXV and approval by at least 66 2/3% of the votes cast by Adira shareholders to approve the change of name and share consolidation. The Transaction will also be subject to approval by the CSE. As Adira intends to delist from the TSXV, the TSXV will not have any involvement with respect to the approval of the Revised Transaction.

## Private Placement

In addition, the Target intends to complete a financing to close concurrently with the completion of the Transaction (the “**Concurrent Financing**”) whereby in it is anticipated that net proceeds of a minimum of US\$1,000,000 will be raised. Such funds will be available as working capital for the Resulting Issuer.

## Management following the Completion of the Transaction

The Board of Directors of the Resulting Issuer will initially consist of seven directors, five of which shall be nominated by the Target and two of which shall be nominated by Adira. Further information with respect to these proposed directors and the management of the Resulting Issuer will be found in the listing statement to be prepared in connection with the proposed listing of the Resulting Issuer’s common shares on the CSE.

## Further Information

Adira will issue a subsequent press release of information containing further information with respect to the Transaction, the Target and the Resulting Issuer, including the proposed Concurrent Financing, summary financial information of the Target and information regarding the proposed directors and officers of the Resulting Issuer.

## **Forward Looking Statements**

*CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS: This press release may contain “forward-looking information” within the meaning of applicable Canadian securities legislation. All statements, other than statements of historical fact, included herein may be forward-looking information. Generally, forward-looking information may be identified by the use of forward-looking terminology such as “plans”, “ expects” or “does not expect”, “proposed”, “is expected”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases, or by the use of words or phrases which state that certain actions, events or results may, could, would, or might occur or be achieved. This forward-looking information in respect of Adira and the Target reflects Adira’s or the Target’s, as the case may be, current beliefs and is based on information currently available to Adira and the Target, respectively, and on assumptions Adira or the Target, as the case may be, believes are reasonable. These assumptions include, but are not limited to, management’s assumptions about the satisfaction of the conditions precedent under*

*the Revised LOI, including, without limitation, listing on the CSE, the delisting from the TSXV, the receipt of CSE approval for the Revised Transaction, the requisite shareholder approval, completion of the proposed private placement and the closing of the Revised Transaction. Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of Adira or the Target to be materially different from those expressed or implied by such forward-looking information. Such risks and other factors may include, without limitation: general business, economic, competitive, political and social uncertainties; delay or failure to receive board or regulatory approvals; changes in legislation, including environmental, criminal and health legislation affecting the Target and the proposed business of the Resulting Issuer and the timing and availability of external financing on acceptable terms. Although Adira and the Target have attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. Accordingly, readers should not place undue reliance on forward-looking information. Readers are cautioned that the foregoing list of factors is not exhaustive. Readers are further cautioned not to place undue reliance on forward-looking statements, as there can be no assurance that the plans, intentions or expectations upon which they are placed will occur. Such information, although considered reasonable by management at the time of preparation, may prove to be incorrect and actual results may differ materially from those anticipated. Forward-looking statements contained in this press release are expressly qualified by this cautionary statement.*

*The forward-looking statements contained in this press release represent the expectations of Adira and the Target as of the date of this press release and, accordingly, are subject to change after such date. However, Adira and the Target each expressly disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as expressly required by applicable securities law.*

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*Neither the TSXV nor its regulation service provider (as that term is defined in the policies of the TSXV) accepts responsibility for the adequacy or accuracy of this release.*