

**Item 1 Name and Address of Company**

Omni Commerce Corp. (the “**Company**”)  
#1001 – 1185 West Georgia Street  
Vancouver, BC V6E 4E6

**Item 2 Date of Material Change**

May 1, 2019

**Item 3 News Release**

The news release dated May 21, 2019 was disseminated via Accesswire.

**Item 4 Summary of Material Change**

The Company entered into a binding letter agreement dated May 1, 2019, as amended on May 20, 2019, with DF Holdings Group LLC doing business as Dreamfields (the “**Target**”), a California based premier cannabis branding, sales and events company, and 1204970 B.C. Ltd. (“**Finco**”), a third party company that has agreed to finance the Target at least C\$6,000,000, whereby the Company has agreed to acquire all of the outstanding membership interests in the Target and all of the outstanding securities of Finco (the “**Business Combination**”).

Following closing of the Business Combination, each of the Target and Finco will be wholly-owned subsidiaries of the Company and, following such time, the business of the Company will be that currently carried on by the Target. The Business Combination, which is subject to receipt of required regulatory approvals and other conditions, will represent the Company’s entry into the cannabidiol and cannabis sectors in connection with its previously announced change of business.

**Item 5 Full Description of Material Change**

*5.1 Full Description of Material Change*

The material change is fully described in the attached news release which has been filed on SEDAR.

*5.2 Disclosure for Restructuring Transactions*

N/A

**Item 6 Reliance on subsection 7.1(2) or (3) of National Instrument 51-102**

N/A

**Item 7 Omitted Information**

None

**Item 8 Executive Officer**

Anthony Srdanovic, Chief Executive Officer  
Telephone: (604) 506-0949

**Item 9 Date of Report**

May 21, 2019

## OMNI COMMERCE CORP.

#1001 – 1185 West Georgia Street, Vancouver BC

Tel: 604-506-0949

NEWS RELEASE

TSXV: OMNI

### OMNI ENTERS INTO BINDING LETTER AGREEMENT TO ACQUIRE CALIFORNIA BASED CANNABIS COMPANY

**May 21, 2019: Vancouver, BC – Omni Commerce Corp. (TSXV: OMNI, FRA:0MZA)** (“Omni” or the “Company”) is pleased to announce that it has entered into a binding letter agreement (the “**Letter Agreement**”) dated May 1, 2019, as amended on May 20, 2019, with DF Holdings Group LLC doing business as Dreamfields (the “**Target**”), a California based premier cannabis branding, sales and events company, and 1204970 B.C. Ltd. (“**Finco**”), a third party company that has agreed to finance the Target at least C\$6,000,000, whereby the Company has agreed to acquire all of the outstanding membership interests in the Target and all of the outstanding securities of Finco (the “**Business Combination**”).

The Business Combination, which is subject to receipt of required regulatory approvals and other conditions, will represent Omni’s entry into the cannabidiol (“**CBD**”) and cannabis sectors in connection with its previously announced change of business (the “**Change of Business**”). For more information regarding the Change of Business, please see the Company’s two news releases dated June 1, 2018 and August 1, 2018.

The Business Combination will be an arm’s length transaction. Due to the Target being engaged in the manufacturing and distribution of cannabis and CBD in the United States, it is anticipated that, in connection with the closing of the Business Combination (the “**Closing**”), the Company will delist its common shares (each, a “**Share**”) from the TSX Venture Exchange (“**TSXV**”) and list the Shares on the Canadian Securities Exchange (the “**CSE**”). In connection therewith, the Company will seek the approval of the Company’s shareholders for the Change of Business and the Business Combination. The Company is required to obtain the approval of the majority of the Company’s minority shareholders for the proposed Business Combination as required by TSXV policies to delist the Shares from the TSXV to the CSE and as required under applicable corporate laws to effect the Business Combination on a tax deferred basis for U.S. holders of the Target.

Following the Closing, each of the Target and Finco will be wholly-owned subsidiaries of the Company and, following such time, the business of the Company will be that currently carried on by the Target.

## **The Business Combination**

Pursuant to the terms of the Letter Agreement, the Company has agreed to acquire all of the outstanding membership interests in the Target in exchange for the issuance of an aggregate of 35,000,000 Shares or multiple voting shares of the Company (on a post-Consolidation (as defined herein) basis) (the “**Consideration Shares**”) to the members of the Target. In addition, the Company has agreed to issue 12,000,000 share purchase warrants to purchase Shares (each, a “**Warrant**”), on a post-Consolidation basis, to certain principals of the Target, which Warrants will vest upon the achievement of certain milestones. 4,000,000 Warrants will entitle the holder thereof to acquire an equal number of Shares at an exercise price of C\$1.00 per Share, 4,000,000 Warrants will entitle the holder thereof to acquire an equal number of Shares at an exercise price of C\$1.50 per Share, and 4,000,000 Warrants will entitle the holder thereof to acquire an equal number of Shares at an exercise price of C\$2.00 per Share.

The Company has also agreed to acquire all of the outstanding securities in Finco from the securityholders thereof in exchange for the issuance of 9,600,000 Shares (on a post-Consolidation basis) to the securityholders of Finco, assuming that Finco has received aggregate investment proceeds of C\$6,000,000.

On completion of the Business Combination, the Company has agreed to issue 1,000,000 Shares (on a post-Consolidation basis) to Star Jasmine LLC as a finder’s fee in connection with the Business Combination.

Completion of the Business Combination will be subject to the satisfaction of various conditions, including: the completion of the Target Financing (as defined herein); the completion of the Consolidation; the completion of satisfactory due diligence by Omni with respect to the Target on or prior to May 31, 2019; the Company, the Target and Finco each obtaining the requisite securityholder approval on or prior to September 30, 2019, including majority of the minority shareholder approval from the shareholders of the Company; the satisfaction or waiver of all applicable conditions precedent; and the receipt of conditional approval from the CSE for the proposed listing of the Shares on the CSE and the receipt of approval of the TSXV to delist the Shares on or prior to October 31, 2019.

Under the terms of the Letter Agreement, the parties have agreed to negotiate in good faith a formal agreement in respect of the proposed Business Combination (the “**Definitive Agreement**”) on the terms contemplated in the Letter Agreement. Upon execution, the Definitive Agreement will replace and supersede the Letter Agreement in its entirety.

None of the securities issued in connection with the Business Combination will be registered under the *United States Securities Act* of 1933, as amended (the “**1933 Act**”), and none of them may be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the 1933 Act. This press release shall not constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of the securities in any state where such offer, solicitation, or sale would be unlawful.

## **Management Changes**

In connection with the Closing, it is contemplated that the board of directors of Omni (the “**Omni Board**”) will be reconstituted to be comprised of nominees to be appointed by the Target who have requisite industry, financing, accounting and public company experience. Certain principals of the Target are expected to become members of the Omni Board in addition to appointments as Chief Executive Officer, Chairman, President, Treasurer and Secretary of the Company. A subsequent news release will be issued once the details of the reconstitution of the Omni Board and management are confirmed.

## **Consolidation**

Prior to the Closing, it is expected that Omni will complete a consolidation of the Shares on the basis of one post-consolidation Share for each ten pre-consolidation Shares (the “**Consolidation**”). As there are presently 40,598,203 Shares outstanding, there are expected to be approximately 4,059,820 Shares outstanding following the completion of the Consolidation, but prior to giving effect to the completion of the Business Combination. After giving effect to the completion of the Business Combination and assuming a Target Financing for gross proceeds of C\$6,000,000, there are expected to be approximately 49,659,820 Shares outstanding.

## **Target Financing**

In connection with the Business Combination, it is anticipated that the Target will complete a convertible debenture financing, comprised of one or more convertible debentures, to raise gross proceeds currently expected to be a minimum of C\$6,000,000, (the “**Target Financing**”) on or prior to May 31, 2019, unless extended by the Target. It is anticipated that Finco will subscribe for a convertible debenture in the Target Financing in a principal amount of C\$6,000,000. The conversion price of the convertible debenture has yet to be determined. The proceeds of the Target Financing are intended to be used by the Target to fund the Business Combination, multistate portfolio brand and product line expansion, marketing, distribution and sales initiatives, promotional cannabis events, human capital and for general working capital purposes. The Target does not expect to pay any finder’s fees or commissions in connection with the Target Financing.

## **About Target**

The Target is a premier cannabis branding, sales and events company with a fully licensed campus focused on in-house manufacturing, fulfillment, distribution, wholesale and retail sales for white-label and wholly-owned portfolio brands. The Target’s assets include a 4.2-acre campus with a 7,000 square foot facility located in Southern California. In 2018, the Target reported unaudited revenues of US\$2.1 million with sales commencing in August of 2018, with sales garnered from brand retail sales, wholesale activities and contract manufacturing involving statewide distribution and fulfillment services. In the first quarter of 2019, the Target reported unaudited revenues of US\$2.2 million and recently closed the month of April exceeding US\$1.2 million in unaudited sales.

The executive team of the Target has over 15 years of history and success working together in both the public and private sectors; building global brands including some of the largest and most prominent music festivals in over 45 countries, producing world class marketing and creating unique, high demand experiences that influence and define the culture; captivating loyal customers and creating new social trends. The Target has created iconic marquee market retail stores and lounges, a popular branded event platform and a portfolio of premium retail brands focused on innovative products and an engaging customer cannabis experience.

### **Termination of Proposed Purekana Acquisition**

The Company also announces that the previously announced proposed transaction between the Company and Purekana, LLC terminated on December 31, 2018 in accordance with the terms of the binding letter agreement between the parties dated July 30, 2018 as amended on August 30, 2018 and September 28, 2018. No break or termination fees were payable by any of the parties pursuant to the binding letter agreement.

### **About Omni**

Omni is a publicly listed company currently listed on the TSX Venture Exchange, trading under the symbol “OMNI”. Omni is headquartered in Vancouver, British Columbia and is a reporting issuer in British Columbia and Alberta. On May 31, 2018, trading in the Company’s common shares was halted in connection with the Company’s announcement of the Change of Business and is expected to remain halted until the Company begins trading on the CSE following completion of the Business Combination.

### **Other Information**

*Completion of the transaction is subject to a number of conditions, including but not limited to, TSX Venture Exchange 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 filing 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. Trading in the securities of the Company should be considered highly speculative.*

*The TSX Venture Exchange Inc. has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this news release.*

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

#### **OMNI COMMERCE CORP.**

Per: “Anthony Srdanovic”

Anthony Srdanovic, CEO

For further information, please contact:

Anthony Srdanovic, CEO

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*Neither the TSXV nor its Regulation Services Provider (as that term is defined in the policies of the TSXV) accepts responsibility for the adequacy or accuracy of this news release.*

***Disclaimer for Forward-Looking Information***

*This press release contains “forward-looking information” and “forward-looking statements” within the meaning of applicable securities laws, including: statements regarding the future strategy of the Company; the proposed terms of the Business Combination; the reconstitution of the Omni Board and management; the proposed terms and closing date of the Target Financing; the proposed Consolidation; the sectors in which the Company is considering operating; the potential transfer of listing of the Company’s Shares to the CSE; the expectation of the re-commencement of trading of the Company’s Shares; and the possible approvals of matters by securityholders of the Company, the Target and Finco. These forward-looking statements address future activities, events, plans, developments and projections. All statements, other than statements of historical fact, constitute forward-looking statements and are frequently identified by words such as “may”, “will”, “should”, “anticipate”, “plan”, “expect”, “believe”, “estimate”, “intend” and similar terminology, and reflect assumptions, estimates, opinions and analysis made by management in light of its experience, current conditions, expectations of future developments and other factors which management believes to be reasonable and relevant. Forward-looking information and statements involve known and unknown risks and uncertainties that may cause actual results, performance and achievements to differ materially from those expressed or implied by the forward-looking information and statements and, accordingly, undue reliance should not be placed thereon. Risks and uncertainties that may cause actual results to vary include, but are not limited to, failure by the Company, the Target and Finco to obtain securityholder approval of the proposed Business Combination; that the Target Financing might not be completed on the terms announced or at all; failure to obtain regulatory approval of the TSXV or the CSE, as applicable, for the Change of Business, the delisting and transfer of the Shares to the CSE, and/or the Consolidation; risks related to the acquisition of the Target and the Company’s investment and operation in the cannabis sector in the United States; and other factors beyond the Company’s control, as well as the risks and uncertainties which are more fully described in our annual and quarterly management’s discussion and analysis and in other filings made by the Company with Canadian securities regulatory authorities under the Company’s profile at [www.sedar.com](http://www.sedar.com). The Company disclaims any obligation to update or revise any forward-looking information or statements except as may be required by applicable laws.*