



# NASS VALLEY GATEWAY Ltd.

Trading Symbols

CSE: NVG

Freiverkehrsmarkt, Frankfurt: 3NVN

Germany: WKN A1JVHM/

ISIN CA6315202029

## NEWS RELEASE

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Richmond, BC, Canada – September 15, 2015

### **Closing Non-Brokered Private Placement**

Nass Valley Gateway Ltd. (the “Company or “Nass Valley”) wishes to announce that further to its News Releases dated May 26 and July 7, 2015, it has closed the private placement (“PP”) with a subscription of 3,500,000 security units (“Units”) for total proceeds amounting to \$350,000. Each Unit will consist of one common share and one share purchase warrant (the “Warrant”) exercisable within one year after the approval of the PP, at a price of \$0.20 per Warrant. All securities issued pursuant to the PP are subject to a four-month hold period following the date of regulatory approval.

The Company will use the proceeds from the PP together with the proceeds from the exercise of outstanding director and employee options and previously issued share purchase warrants (“Warrants”) for a first phase payment of the acquisition of S. R. Haddon Industries Ltd., a company incorporated under the laws of the British Virgin Islands, as well as for general corporate working capital, including repayment of its outstanding loans. In connection with the PP Nass Valley will pay aggregate finders' fees of \$4,000 in cash. The closing of the PP is a prerequisite for the Acquisition and is together with the Acquisition subject to the approval of the regulatory authorities.

Under the executed Definitive Agreement the Company will issue 23,000,000 common shares (“Acquisition Shares”) to the shareholders of S.R. Haddon Industries Ltd. (“SRH”) and assume US\$500,000 for the development of the transdermal delivery systems, payable in stages as a total payment to Nano BioMed Technologies Inc. (“NBI”), including the Albert Einstein College of Medicine of New York. Under the Development Agreement between SRG and NBI, SRH would have to pay to NBI a royalty of US\$0.50 per transdermal patch-system sold.

In addition, Merfin Management Limited, a private holding company of which Mr. Dieter Peter is President and part-owner (“MRF”), agreed to transfer 4,000,000 Warrants to SRH’s four shareholders, who are citizens United Kingdom, as well as an option of 5,000,000 shares of MRF’s control position of Nass Valley’s stock including its voting rights for 180 days subsequent to the effective date of regulatory approval. As the transaction is considered to be a “substantial transaction”, SRH’s shareholders have acknowledged that the Acquisition Shares will be subject to applicable securities laws and regulations, including restrictions on resale relating to hold periods, insider trading and control persons, and released subject to the satisfaction of certain conditions as set forth in the Escrow Agreement.

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Upon regulatory approval of the transaction, the Company will change its name to S.R. Hadden Industries Ltd. and has reserved “HDD” as its future trading symbol. Two of the present four board members will resign and three nominees of SRH have agreed to join the Company’s new Board consisting of five members.

MRF, as one of the Nass Valley’s controlling shareholders, has subscribed for an aggregate of 1,775,000 units of the PP. Since Mr. Dieter Peter (“DP”) is a Director and CEO of Nass Valley, MRF’s participation would be considered a “related party transaction” as defined under Multilateral Instrument 61-101. DP and MRF jointly hold presently 44.81% of Nass Valley’s outstanding shares. Post-closing of the PP, DP and MRF will hold jointly 45.46% whereby the combined shareholdings of DP and MRF in Nass Valley’s stock after the Acquisition will be 23.41%. Due to the size of MRF’s private placement participation and the overall market conditions for junior startup companies in relation to the Company’s market capitalization, Nass Valley is seeking exemptions from the formal valuation and minority shareholder approval requirements that generally apply to related party transactions under applicable securities laws.

Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* (“MI 61-101”) stipulates that, in the context of a related party transaction, if a material change report is filed less than 21 days before the expected date of the closing the transaction, an explanation is to be provided why the shorter period is reasonable or necessary in the circumstances. The Company’s management and the Board of Directors (“Board”) believe that, due to the nature of the transaction, the relationship amongst the parties and the small number of parties involved, the negotiation and preparation of the legal documentation and the obtaining of any necessary approvals should proceed. Accordingly, the Board believes that, notwithstanding the approval date, it is reasonable that this News Release be filed as of today’s date.

According to Multilateral Instrument 61-101, related party transactions require formal valuation and minority shareholder approval unless the related party transactions satisfy certain exemptions, which in the current case will be pursuant to section 5.5 (g) and section 5.7(1) (e) of Multilateral Instrument 61-101 related to a Company issuing securities to a related party due to financial hardship.

The Issuer has received written confirmation and consent from four shareholders, representing 58.37% of the Issuer’s present outstanding shares, to the Board of Directors approval of the proposed “fundamental change” and the proposed funding.

The independent directors have determined that without the completion of the proposed private placement Nass Valley is in serious financial difficulty and this private placement will facilitate not only the Acquisition and improve its financial position but also increase the attractiveness for further necessary investments into the Company substantially. The independent directors of the Company, acting in good faith have determined that the terms of the transaction are reasonable under the circumstances of the Company and consider it to be in the best interests of the Company, and have recommended that the Board approve the proposed private placement.

The Board of Directors held its special meeting on August 17, 2015 to approve the PP and the related party transaction and approved both unanimously.

#### THE COMPANY SEEKS SAFE HARBOR.

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The CSE has not reviewed, and does not accept responsibility for the adequacy or accuracy of the contents of this news release.